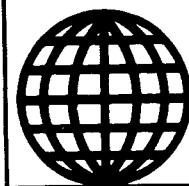


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# ***JPRS Report***

# **China**

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## GENERAL

### Characteristics, Problems of the UN Peacekeeping Forces

40050560 Beijing GUOJI WENTI YANJIU  
[INTERNATIONAL STUDIES] in Chinese  
No 2, 13 Apr 89 pp 53-61

[Article by Liu Enzhao 0491 1869 3564: "The United Nation's Maintenance of the Peacekeeping Forces"; parenthetical references are to documents of the UN General Assembly and Security Council]

#### [Excerpts] I. What Are the UN Peacekeeping Forces?

There are broad and narrow definitions for what are generally referred to as the UN Peacekeeping Forces. The former includes operations of the United Nations undertaken in the interest of the preservation of peace, while the latter refers only to the arms-bearing UN Peacekeeping Forces. This article adopts the broader definition. The UN Peacekeeping Forces (or UN Peacekeeping operations) include: the UN Peacekeeping Forces, UN military observer missions, UN security forces, UN disengagement troops, and military observer teams. The UN Peacekeeping Forces are not called for in the UN Charter, but have evolved continually through application in real-life situations.

What are peacekeeping operations? It is now "still impossible to establish a definition that is satisfactory to all member nations."<sup>1</sup> However, in recent years there have been several different views:

1. The United Nation's Office of Public Information recently stated in its book "The Blue Helmet—A Look Back at the United Nation's Preservation of Peace," that according to the report of the Secretary General, peacekeeping operations "are established by the United Nations, help to preserve or restore peace in areas of conflict, include military personnel, and have no compulsory authority."<sup>2</sup>

2. "The Theory and Practice of Peacekeeping," by (Lih-eye) [6849 6378 5102], the UN Secretary General's Military Advisor and former commander of the emergency troops, quotes the definition by the Society for International Peace in saying that "peacekeeping" operations "make use of third-party intervention under the command of an international organization, and use multinational troops, police, and civilian personnel in order to restore and preserve peace, and prevent, control, moderate, and terminate bellicose activity between and within nations." They can be "military, paramilitary, or nonmilitary in nature."<sup>3</sup>

3. UN Secretary General Perez de Cuellar said in a September 1985 interview with Chinese reporters that "the UN Peacekeeping Forces constitute a collective security operation adopted in accordance with the UN charter."<sup>4</sup>

In short, they are either military or nonmilitary peacekeeping forces composed of military personnel and a minority of civilians, established through a resolution of either the UN Security Council or the General Assembly. [passage omitted]

### III. The Purpose, Uses, and Nature of the UN Peacekeeping Forces

The purpose of the UN Peacekeeping Forces is to seek the moderation and control of conflicts, and to prevent the expansion of regional conflicts that threaten peace anywhere in the world. Through a resolution by the UN Security Council or General Assembly, and with the negotiated consent of the principals, military forces or military observer teams are sent to the area where conflict is occurring. Their tasks and purposes differ depending on the actual conditions and requirements of the time. The number of personnel and the countries from which they come also differ. Their duties generally include observation, reporting on local conditions, supervision of local cease-fires, truces, and armistices, carrying out talks on disengagement, supervision and encouragement of troop withdrawals, prevention of illegal border violations and military incursions, control of military boundaries and neutral zones agreed upon by the parties involved in conflict, maintenance of local order, protection of civilian activities, and performance of humanitarian assistance.

UN peacekeeping operations have a 40-year history, beginning with establishment of the first UN Truce Supervision Organization in Palestine. The facts prove that they are helpful in preserving world peace, and play a beneficial role in resolving and preventing the expansion of regional conflicts. This is true with the UN military observer mission stationed in India and Pakistan and the military observer mission stationed on the Indo-Pakistani border. In the Indo-Pakistani conflict, they facilitated a cease-fire and troop withdrawals. They also continuously carried out their duty to oversee the cease-fire along the 500 kilometer Kashmir Valley, high in the mountains. The UN Truce Supervision Organization in Palestine "carried out its duties in the Middle East without stint for many years under conditions of frequent conflict. It used the method of step-by-step alleviation of tension to resolve innumerable crises."<sup>5</sup> Currently, the United Nations has military observer missions to inspect the Soviet Union's troop withdrawal from Afghanistan, the Iran-Iraq cease-fire, and Cuba's troop withdrawal from Angola. For this reason, the Nobel Prize Committee awarded the Nobel Peace Prize on 29 September 1988 to the UN Peacekeeping Forces. This was based on the fact that "the UN Peacekeeping Forces and military observer missions performed outstandingly in carrying out the UN Security Council's request, regarding the cease-fires, to uphold the UN Charter and resolve conflicts in a peaceful manner."<sup>6</sup>

In general, the UN Peacekeeping Forces have the following characteristics:

**1. International in nature.** They are an international force established by resolution of either the UN Security Council or the General Assembly. Their personnel are provided by neutral member countries and controlled by the Secretary General, who also appoints their commanders.

**2. Voluntary and noncompulsory in nature.** They are established with the consent of the host country and other directly involved parties. Their military personnel are provided voluntarily by member countries. The Peacekeeping Forces are provided with light military equipment, which is used only in self-defense.

**3. Noninterventionist and nonpartisan.** The Peacekeeping Forces should maintain a nonpartisan position. They should not intervene in the internal affairs of the host country, should not influence the internal disputes of the member country in any way, and should not favor or oppose any side.

**4. Extraordinary restraint.** The demand for extraordinary restraint on the part of the forces is not only a fundamental principle, but is required to guarantee the effectiveness of their operations.

**5. Temporary.** Many peacekeeping operations are temporary in nature. The only exception among the Peacekeeping Forces at present is the UN Truce Supervision Organization in Palestine, a permanent organization under the Security Council. The United Nations itself enjoys no sovereignty, and can only conduct peacekeeping operations with the special permission of the Security Council or the General Assembly. Currently, there are no long-term regulations regarding the political, organizational, administrative, or budgetary arrangements for peacekeeping.

**6. Regional.** The Peacekeeping Forces generally deal with regional conflicts that threaten world peace and security. A fair and objective third party assists in the establishment and maintenance of a cease fire, and the establishment of buffer zones between warring parties.

**7. Special troops.** The Peacekeeping Forces have changed the nature of traditional military personnel. Their troops are unique. In the words of Secretary General Perez de Cuellar, they "have no enemy to confront, no victory to achieve; their weapons are used in self-defense, and the effectiveness of their mission depends upon voluntary cooperation."<sup>7</sup> He has further stated that the UN Peacekeeping Forces have set a historical precedent. Military force is being used not to start wars, establish rule, or serve the needs of a powerful country or bloc, but to control conflicts between men.<sup>8</sup>

Due to the aforementioned characteristics of the UN Peacekeeping Forces, the United Nations requires broad political consensus for the powers that it confers on the forces. This is reflected not only by consensus support for the creation of the forces, but should also be reflected by consensus concerning their ongoing operations. Continuing support for the Peacekeeping Forces is also

required from the Security Council, the nations and principal parties involved in conflict, and the nations providing the troops. Even more important is that all parties cooperate with the forces, because the Peacekeeping Forces have little or no compulsory authority. Their weapons are to be used only in defense, and only as a last resort. Any determined party can effectively resist the Peacekeeping Forces, so the cooperation of all parties is necessary.

#### IV. Problems for the UN Peacekeeping Forces

Although the UN Peacekeeping Forces have been in existence for more than 40 years, great international controversy exists concerning their legal basis, funding, and use of weapons.

**1. The issue of the legal basis for the establishment and existence of the Peacekeeping Forces.** This has always been a controversial issue in the international arena. At the crux of the issue are questions concerning whether the forces are a part of "executive operations," and whether they are under the jurisdiction of both the Security Council and the General Assembly, or the Security Council alone. Some countries, such as the Soviet Union, believe that any sort of UN Peacekeeping Force constitutes executive operations, that their legal basis lies in Chapter 7 of the UN Charter, and that such operations should fall under the jurisdiction of the Security Council. Some countries believe that the forces do not constitute executive operations because they are not used in countries that do not give consent, and that their operations can also fall under the jurisdiction of the General Assembly. The World Court's 1962 advisory opinion on the United Nation's establishment of the first emergency forces and the UN Operation for the Congo stated that the forces do not constitute executive operations and that the power to "maintain international peace and security" does not belong to the Security Council alone, because Article 24 of the UN Charter stipulates that the member nations confer the "primary" responsibility for maintenance of world peace and security upon the Security Council. The term used here is "primary," not "sole." Therefore, the Charter states quite clearly that issues of world peace and security come within the General Assembly's purview. Articles 11 and 14 of the Charter were further cited as the legal basis for this opinion.<sup>9</sup> Furthermore, former Secretary General Hammarskjold stated, in reference to the legal basis for the General Assembly's resolution to establish the first UN emergency forces, that the forces were "an organ belonging to the UN General Assembly" (A/3694), and that they "were established in accordance with the UN Charter, Article 22" (A/3943). This article stipulates that "the General Assembly shall establish such auxiliary organs as it deems necessary for the performance of its duties." The Soviet Union's viewpoint in this regard has changed recently. On 17 October 1988, the Soviet Union's Deputy Foreign Minister Petrovskiy proposed to the Special Political Committee of the UN General Assembly that the United Nations used the "most flexible methods" to deploy the Peacekeeping Forces. He

said that the United Nations could dispatch observer missions and investigation teams not only on the basis of Security Council decisions, but also on the basis of decisions by the UN General Assembly.<sup>10</sup>

**2. The issue of the secretary general's powers.** Article 97 of the UN Charter states that "the secretary general is the organization's highest executive officer," and Article 98 states that the secretary general "must perform other duties" which UN organs "assign it." On this basis, and with the powers granted by the Security Council or the General Assembly, the secretary general assumes responsibility for leading the Peacekeeping Forces, appointing their commanders, and organizing their personnel. But just how much authority belongs to the secretary general? How is authority divided between the secretary, the Security Council and the General Assembly? There are differing opinions concerning all these questions. Two problems have arisen in the course of the creation of the UN Peacekeeping Forces. The first involves the establishment of the forces at the proposal of the secretary general. When the Security Council was discussing conditions in the Congo (now Zaire) on 13 July 1960, former UN Secretary General Hammarskjold proposed establishment of a "UN Operation for the Congo," which was approved by a resolution of the Security Council. He took this action on the basis of Article 99 of the UN Charter, which stipulates that "the secretary general shall draw the attention of the Security Council to any incident which the secretary deems a possible threat to international peace and security." This set a precedent for establishment of the forces at the proposal of the secretary general, and expanded the scope of the secretary's activities. The second problem is that of the secretary general's "independent actions." The civil conflict in Yemen in the autumn of 1962 expanded because of interference by the United Arab Emirates, England, and Saudi Arabia. Former Secretary General U Thant took "independent" action. A disengagement agreement was reached through the mediation of the delegation that he sent. The Security Council passed a resolution on 11 July 1963, which expressed satisfaction with the secretary's "independent action" and empowered him to establish a UN observer mission in Yemen. There are no clear regulations in the UN Charter regarding instances in which the secretary general takes such "independent action" without prior authorization from the Security Council or the General Assembly, so there are different legal interpretations of the matter. Some people feel that the stipulation in Article 99 of the UN Charter that "the secretary general shall draw the attention of the Security Council to any incident which the Secretary deems a possible threat to international peace and security" "tacitly implies the right of the secretary general to gather intelligence, carry out investigations, and even proceed with negotiations"<sup>11</sup> before the secretary calls to light whatever it is that is "deemed a possible threat to... peace." Others feel that it is "based upon a broad interpretation of the Charter," that is, as the "highest administrative officer" of an organization dedicated to the promotion of peace, the secretary general possesses,

in accordance with the Charter's objectives and purposes, the authority to carry out "many types of legitimate activities."<sup>12</sup> Still others feel that the Security Council takes primary responsibility for maintaining international peace and security, and an expanded interpretation of Article 99 will weaken the Security Council, damage "the intricate balance of duties and powers between and within the major organs as established by the Charter, and hurt the effectiveness of the UN."<sup>13</sup> To this day, there is no consensus of opinion regarding the authority of the secretary general. However, from the standpoint of the United Nation's concrete peacekeeping experience, the power of the secretary general is indeed increasing. The general secretaries personally, and the mediation and investigation activities of the delegations and investigative teams which they have dispatched to all parts of the world, have all made positive contributions to the promotion of international peace.

**3. The issue of funding.** The expenses of the UN Peacekeeping Forces are generally shared by the member countries according to a schedule approved by the General Assembly. In some individual cases they are shared directly by the countries involved in conflict. The expenses for the UN observer mission in Yemen were shouldered by Saudi Arabia and Egypt, and Indonesia and the Netherlands shared the expenses for the UN security forces that were stationed in West Irian. In other instances individual countries are willing to pay the expenses, as when the UN Peacekeeping Forces were stationed in Cyprus. However, some countries have refused to contribute their share of the expenses for UN peacekeeping operations while others have been unable to pay what they had agreed to, which has led to a UN financial crisis. Therefore, the UN General Assembly appealed to the World Court for an advisory opinion on whether the expenses for the UN emergency forces and the Operation for the Congo were a part of "the organization's expenses" as referred to in Article 17, Section 2 of the UN Charter. On 20 July 1962, the World Court, by a vote of nine to five, delivered a positive response regarding this issue. The General Assembly passed a resolution accepting the World Court's advisory opinion. Afterward, some nations delivered their financial contributions while others continued to refuse payment. During the 19th session of the General Assembly in 1964, the United States attempted to use the regulations in Article 19 of the UN Charter to strip the countries that were in arrears of their voting privileges. At that time the Soviet Union announced that if this came to pass it would withdraw from the United Nations. The United States made a concession in 1965 by not using Article 19. The Soviet Union also yielded and offered to give a voluntary contribution. At the same time, the UN General Assembly passed several resolutions calling on member nations to support the peacekeeping operations. They emphasized that the member countries have a responsibility to divide fairly the expenses for peacekeeping operations, and that it was the "collective responsibility" of all member countries to share this expense.<sup>14</sup> For a long time, the United States

has supported of UN budget while the Soviet Union has refused to contribute. In recent years the United States has been applying financial pressure to the United Nations. As of July 1988, unpaid debts of the United States amounted to \$500 million, of which \$70 million were earmarked for the Peacekeeping Forces. The United States is withholding more from the United Nations than any other nation. Even Claiborne Pell, chairman of the US Senate Foreign Affairs Committee, criticizes the United States for "skipping out on its debts."<sup>15</sup> The Soviet Union owes \$172 million for peace-keeping operations expenses and has already begun to pay. They will pay off the debt within a few years. This situation is currently having a severe impact on UN activities, especially on current plans to send Peacekeeping Forces to Namibia, the Western Sahara, and even Kampuchea. It is estimated that the expenses for these operations will exceed \$2 billion, so UN finances in the future will be even tighter. Fund-raising efforts and activities to attract voluntary contributions must be expanded. At present, Japan and some other countries have already promised to contribute large sums for the UN Peacekeeping Forces.

**4. The issue of the use of arms.** According to the guiding principles of the UN Peacekeeping Forces, they can carry only small arms, and can only use military force in self-defense. What is "self-defense"? Under what circumstances can military force be used? In 1973, former Secretary General Waldheim proposed the formation of UN emergency forces in a report to the Security Council (S/5950). In his report he stated that "self-defense" would include resistance to any armed attempt to obstruct the forces' performance of the mission entrusted them by the Security Council. On 10 September 1964, the secretary general summed up the experience of the UN Peacekeeping Forces in Cyprus, stating that troops carry weapons only for the purpose of self-defense, but "the use of arms is still necessary" for the performance of duties, preservation of peace and security, reestablishment of law and order, and prevention of renewed fighting. Furthermore, the principles of self-defense are that "when barracks, vehicles or personnel come under attack, only after peaceful means and persuasion have been attempted without success, and orders from the commander have been received, can troops use minimum military force to carry out necessary self-defense" (S/5950). Therefore, when the forces are "coming under attack," and when, "in carrying out their duties, they encounter military obstruction," they can, at their commander's orders, use "minimum" military force. The only exception was the United Nation's 1961 Operation for the Congo, which was granted authority on 21 February 1961, by the Security Council to "use military force when necessary, as a last resort, in order to prevent civil war" (S/4741). On 24 November the Security Council again granted it authority to "take forceful action, and use whatever military force is required when necessary" (S/5002). As a result, these forces mobilized 20,000 troops and, with logistical support from the United States, England, and Italy,

launched military operations against the Congo's Katanga. This operation met with opposition from many Asian and African nations, and the troops hurriedly withdrew. Guinea declared that the United Nations was favoring one party in the Congo's internal dispute, and that "it could not be an accomplice to this interference."<sup>16</sup>

#### V. The Future of the UN Peacekeeping Forces

At present, the governments of every nation and the people of the world attach much importance to the United Nation's peacekeeping operations, and are giving added support to the activities of the UN Peacekeeping Forces. Some differences of opinion are gradually disappearing. UN Secretary General Perez de Cuellar, in his 1982 "Report on the Work of the United Nations," stated that "people everywhere consider peacekeeping operations to be one of the most successful and creative activities of the United Nations," and that the forces, "in a very unique way, enable the influence of the Security Council to reach into areas of conflict." "These operations have proved to be very beneficial in the gradual scaling down of wars and the control of conflicts." He called on all member countries to seriously consider ways for the United Nations to play the greatest role possible in a world full of unrest and with an uncertain future. On 12 December 1983, the UN General Assembly passed a resolution entitled "An Overall Evaluation of all Aspects of Peacekeeping Operations." It stated that peacekeeping operations are a major function of the United Nations, and that they have played a significant role in helping the Security Council to perform its duties in accordance with the UN Charter. The resolution also declared that "there is a need to raise the efficiency and usefulness of the UN Peacekeeping Forces" in the future, and it encouraged all countries to give them support and cooperation.

In the midst of the great clamor to strengthen UN peacekeeping operations, the Chinese Government, on 22 September 1988 sent a letter to the secretary general asking to join the Special Committee on UN Peacekeeping Operations, and the General Assembly passed a resolution stating that "China's participation would be beneficial to the committee's work." Prior to this, in 1981, China had already provided funding for the UN Peacekeeping Forces in the Middle East and had stated its "belief that they were an effective way to preserve international peace and security."<sup>17</sup> With Gorbachev's "new thought process," the policy of the Soviet Government also underwent a fundamental change. They proposed "making wider use of the system of UN observers and UN Peacekeeping Forces."<sup>18</sup> The Soviet Government has made a series of other proposals in recent years, including the establishment of "an overall system to maintain international peace and security," establishment of reserve forces composed of UN observer teams and armed forces, establishment under the auspices of the United Nations of an "organization for international inspection and oversight," establishment of a UN navy,

and the reestablishment of the UN Military Staff Committee. They also have expressed a willingness to send their own troops to participate in UN peacekeeping operations. Recently, Gorbachev gave a speech at the General Assembly in which he described the United Nations as "a unique international body working for peace and security." He also said that the United Nations "can help member countries meet the serious challenges of the time." The United States, on the one hand, is putting financial pressure on the United Nations, but they also played a positive role in sending observer missions to supervise the Cuban troop withdrawal from Angola and Soviet troop withdrawal from Afghanistan. The great majority of developing countries, and countries from Western Europe, North America, and Oceania have played a very useful role by sending troops to support UN peacekeeping activities.

Due to the aforementioned factors, the UN Peacekeeping Forces have bounded back into vigorous activity after ten years of stagnation. From Afghanistan to the Iran-Iraq war, from southern Africa to northern Africa and Central America and Southeast Asia, requests for UN Peacekeeping Forces and observer missions have come in a steady stream. It is estimated that the personnel required by these new requests is three times as many as the 10,000 who had been manning posts before, and their duties would be much more difficult and complex. Apart from overseeing cease-fires and troop withdrawals, there is also the return of prisoners of war and repatriation of refugees, plebiscites for self-determination, maintenance and administration of local law and order, handling of border disputes, etc. These situations all require that the UN Peacekeeping Forces perform large amounts of work.

Practice has proved that the UN Peacekeeping Forces have played a large role in solving some disputes, preventing the expansion of conflicts, and preserving regional and world peace. In the future, as the United Nations is accorded a position of more importance by every nation in the world, the UN Peacekeeping Forces will play an even larger and more outstanding role.

#### Footnotes

1. *Handbook of the United Nations*, 8th edition, Vol I. Shanghai Commercial Press, 1973, p 98.
2. *The Blue Helmet—A Look Back at the United Nations' Preservation of Peace*. UN Information Department. New York, 1985, p 3.

3. (Liheye), *The Theory and Practice of Peacekeeping*. St Martin's Press, New York, 1984, pp 1-2.

4. Statement by UN Secretary General Perez de Cuellar in interview with Chinese journalists, NEW CHINA NEWS AGENCY, "News." 22 Sep 85, p 47.

5. *United Nations Yearbook, 1979*, p 5.

6. Statements made by Nobel Prize Committee chairman (Aoerweike) [1159 1422 4850 0344] in speech presenting Nobel Peace Prize to UN Peacekeeping Forces, RENMIN RIBAO, 11 Dec 88, p 6.

7. *Blue Helmet...*, preface.

8. See footnote 6.

9. M. (Acosta) [7093 5388 2448 3676], *An Introduction to Modern International Law*, Chinese Academy of Social Sciences, 1983, p 254. *World Court Yearbook, 1961-62*, Netherlands, pp 78-84.

10. RENMIN RIBAO, 19 Oct 88, p 6.

11. Alexandra (Luoweiqi) [1129 5012 1142], "The United Nations Secretary General"; quote from (Lasalin) [2139 5646 2651] and (Higgins) [1585 6855 2448], *The United Nations' Preservation of Peace*. Cambridge University, 1969, Vol I, p 627.

12. Ibid.

13. Speech by the French delegation, quoted from Sun Lin [1327 2651], et al., "The UN Charter and the Prevention of Conflict." See *Chinese Annals of International Law*, China Foreign Languages Press, 1985, p 50.

14. Resolution 38/81, passed by the UN General Assembly on 15 December, 1983. *Collected Resolutions of the United Nations*, Vol 1, General Assembly, Chapter 22, Oceana Press, New York, 1986, p 314.

15. *Time Magazine*, United States, 22 Aug 88, p 35.

16. (Jixinsi) [1015 6580 2448] *Modern Library*, 1960, pp 17, 785.

17. *Chinese Annals of International Law*, China Foreign Languages Press, 1985, p 638.

18. Gorbachev, "The Practicality and Safeguards of a Safe World," IZVESTIA, USSR, 18 Sep 87, pp 1-2.

### Reform Faces Strategic Choices

40050630 Beijing XINHUA WENZHAI [CHINA DIGEST] in Chinese No 6, 25 Jun 89 pp 63-66

[Article by Chen Yizi 7115 0001 6171, Wang Xiaojiang 3769 1420 1730, and Li Jun 2621 1498: "As Reform Stalls, China Must Make Hard Choices"]

[Text] What was the decade of reform and open policy really been like? Where is reform headed for now? These questions are much discussed across the nation, from top to bottom. While the top decisionmakers have time and again indicated their firm commitment to reform, and while the expectations of the people have risen to a point where there is no alternative to reform, reform is still perceived differently and many people remain bewildered.

#### Has Reform Been Successful or Otherwise?

The past decade of reform and opening to the outside world has been of tremendous significance for our country and nation. The national economy has expanded. The public's basic needs for food and clothing has been met. The people have benefited in a tangible way. Even more important, isolation and stagnation have been brought to an end and a new era of development has been ushered in. We need only look at the pre-1978 period to realize we have come a long way down the bumpy and winding road of reform. The old order has been dealt a serious blow in many aspects and elements of the new order are maturing. The degree of autonomy enjoyed by enterprises today, the role played by the market, and the extent to which China is open to the outside world were all unimaginable 10 years ago, as was the freedom enjoyed by the people politically, economically, and in all aspects of social life. Of particular importance is the fact that the party and the entire populace have undergone a sea change in thinking, putting forward in no uncertain terms the development of a socialist commodity economy and the introduction of socialist democratic politics as the objectives of struggle. This general trend is irreversible. More than anything else, it guarantees that the national economic drive will be released and national modernization will be achieved.

Needless to say, we are faced with a string of serious problems— inflation, an irrational industrial structure, enterprises taking credit for their profits but not being held responsible for their losses, corruption among a small number of government workers, and imperfections in the commodity economy and market. If the major achievements of reform are obvious to all, so are these problems. There is no running away from them. However, we must acknowledge that these problems arose after the basic needs of the people had been satisfied and after the old institutions had been disrupted. They are new problems that emerged in the course of economic development and structural reform. They arose from the coexistence of the old and new institutions and from the very incompleteness of reform. There is no hope without

reform. There will be even less hope if we go back to the old system. By the same token, it is illogical to say that the 10 years of reform have produced great achievements, asserting at the same time that the reform strategy is seriously flawed. To deny the achievements of a decade of reform based on our understanding of some issues in hindsight is as unjustifiable as an adult completely dismissing his youth. On the contrary, the occurrence of these new problems precisely lays bare the difficulty of reforming traditional institutions and it demands that we understand reform even more deeply and push reform to a higher level.

#### "Reform Is a Revolution"

During the past decade, the economy grew more rapidly, economic life had been more active, and people had enjoyed more tangible benefits than in any other period after the liberation. On the other hand, there was widespread popular discontent and social instability has increased even as government ability to regulate and control declined. Why? Involved here are many profound issues.

To begin with, as far as the general trend is concerned, we are faced with the historic mission of effecting dual changes in our development model and institutions.

First, the dual changes in development model. The first change is from a development model that seeks to satisfy the basic needs of the people to one that pursues a comfortable standard of living. The existing industrial structure, which aims at satisfying basic human needs, has to be adjusted in the course of development, an adjustment that often does not come about as quickly as changes in human needs. In most developing nations, the diversification of the needs of the population as their basic wants are met, the widening gap between the rich and the poor, and rising public demand for political participation during this period combine to heighten social instability. The second change is from a closed development model to an open one. To bring about a smooth transition from the closed system to an open system and make it dovetail with the outside world without causing excessive disruption is also a difficult transformation.

Second, the dual changes in institutions. On the one hand, we need to shift from the product economy model to the commodity economy model. This alone entails a complete transformation in resource allocation, and cannot be accomplished by simple price adjustment alone. What needs to be changed is a string of institutions. On the other hand, we need to replace politics of centralization with democratic politics, which necessitates a series of transfers in power. The first change is a wholesale reorganization of interests and the second entails complex adjustments in power distribution. Consequently, these dual changes will inevitably lead to a series of issues we have never confronted before.

In the early days of reform, we often had a simplistic notion of reform, coupled with inflated expectations of

the rewards it would bring. When Yugoslavia and Hungary began reform, they experienced a "golden age" in agriculture, light industry, and processing industry, primarily because the potential that had previously stayed unexploited was tapped and put to use. But as reform entered a deeper level and some basic problems remained unsolved, reform and development languished, with the basic problems acting as a constraint on further reform. Development slowed down, efficiency declined, and the benefits of reform also diminished. When the "golden age" was over, the problems facing reform became increasingly fundamental. The array of problems confronting Yugoslavia and Hungary now are in some ways typical of the predicament of all reforming socialist nations. The problems are even worse for a huge socialist nation like China, which is culturally and economically more backward.

Next, what is the system that needs to be reformed? It is a highly centralized system that combines party and government administration with enterprise management and that relies on administrative management layer after layer in every administrative division. This system has two basic characteristics: 1) Subordination. All economic, social, and political organizations are incorporated into a pyramidlike management structure where the lower level obeys the higher level. With each level subordinating itself to the one above, there is no vitality. 2) Omnipotence. In exercising its own special functions and responsibilities, an economic, social, or political organization must also discharge other functions running the entire spectrum of social life. From the central government to the grassroots, the leaders of every unit must involve themselves with their workers' concerns, such as old age, illness, death, clothing, food, housing, and transportation and must discharge all kinds of social responsibilities as well as do their own jobs. This makes every unit less efficient in carrying out its own responsibilities. Subordination saps energy, while omnipotence leads to inefficiency.

Reform in China is often marked by two phenomena. In the first phenomenon, as soon as economic work is deregulated, party and government work weakens. In the second phenomenon, although the higher level delegates power to the lower level and the central government does likewise with the localities and grassroots, the methods of management are not altered substantively and inefficiency remains largely unsolved. Instead, what we end up with is a good deal of chaos even as the goals of reform are not achieved. While we know the dangers attendant upon the first characteristic, we do not fully appreciate the shortcomings of the second characteristic. Yet the functional differentiation and socialization of an omnipotent unit is indispensable to putting an end to subordination, and we have a limited understanding of it. Because of this lack of understanding, some reforms that would lead to functional differentiation (such as social security, welfare, and housing reforms, the localization of political organizations, and the maturing of intermediate social organizations) do not receive the

attention they deserve. As a result, certain reforms have not been as effective as they should be.

This is an issue of socioeconomic systems engineering. We cannot solve the problem by simply tightening or loosening our grip on the economy. Nor can we solve it with price measures or fiscal means alone. Take, for instance, the apparently simple reform objective of giving enterprises more decisionmaking authority in economic matters. To achieve that objective, we cannot but have to make adjustment in every aspect of economic, social, and political life, in effect, a thoroughgoing reform. Thus, as far as the old order is concerned, reform really means a "second revolution," one that is more profound, more complex than the first revolution with bloodshed.

#### What Institutional Environment Does China Need for Its Current Stage of Development?

Modernization has been accelerating worldwide since the end of World War II, particularly since the 1960's and 1970's. During this period, successful rapid modernization is not a function of capitalism or socialism. If a country, nation, or region puts to use all that is valuable in the legacy of human civilization, it will develop, take off, and modernize successfully. If we look at the two broad categories of political and economic systems, most developing nations in pursuit of modernization after World War II have adopted one of the following four models: 1) "Hard government, hard economy," such as the highly centralized command economy of the Stalinist era. This model worked well in times of wartime mobilization and economic control, but it ceases to be effective once the development of productive forces reaches a certain level. 2) "Soft government, hard economy," which combines parliamentary democracy with economic planning. India followed this model at one point, but failed badly. 3) "Hard government, soft economy." Among the most successful examples are Asia's "four little dragons," Brazil, and Turkey, which all adopted this model during their take-off stage. 4) "Soft government, soft economy." A number of countries followed this model successfully before World War II. After World War II, many less developed nations tried but failed to duplicate their feat. The reason is that the international environment has changed.

Why is it that most developing nations that adopted the "hard government, soft economy" model after World War II have achieved a considerable measure of success? This question is well worth pondering. In developed nations, efficiency, democracy, and social stability often go hand in hand. In developing nations, however, the less developed the economy and the greater the extent of mass mobilization, the less stable society is, making efficiency and democracy the most intractable problems in those nations. Countries which have done well have all succeeded in handling the problem on the following three levels. Their experience sheds light on the laws involved, which have profound significance for our effort to speed up modernization.

On the first level is the relationship between the caliber of the masses and political participation. It must be scientifically recognized that owing to cultural and economic backwardness, the vast majority of the population cannot directly run the nation for a long time to come. What is possible is a kind of "elitist politics" where a small elite exercises leadership, represents the interests of the majority, and determines the direction of national development. On the second level, the relationship between the "power elite" and "intellectual elite." If the elite that wields power is closed and rigid, it will become a special interest group over time. But if it can continuously absorb members of the "intellectual elite," who have modern ideas and are capable, the "power elite" will be able to continue representing public interests and speed up modernization. At the third level, institutions and procedures must be set up within the "power elite," which comprises the national decisionmakers, to ensure democracy before decisionmaking and efficiency after decisionmaking. This is the only way to prevent egregious errors and dictatorship. It will also guard against all talk and no decision or decisions without implementation. If we master the problem at these three levels, we can improve efficiency steadily even as we introduce democracy. The resultant system may make it easier for us to survive under difficult circumstances, develop, and fulfill the goals of establishing a commodity economy and bringing about democratic politics in the next century. Both the recent call for "neo-authoritarianism" and criticism of "good-guy politics" are related to the effort to reconcile efficiency with democracy. How to choose an institutional environment necessary for China's current stage of development is a fundamental issue pivotal to our nation's speedy revitalization. We suggest that China choose the "hard government, soft economy" model and sort out the relationship between efficiency and democracy at the three levels mentioned above. What prompted this suggestion is our hope that people in all walks of life would explore it further.

### Three Fundamental Problems Facing Reform

According to Marx, to introduce socialism, which is superior to capitalism, there must be a union of free men and genuine personal ownership. Only then can we bring about a situation where distribution is based on "from each according to his ability, to each according to his needs." If our system is less efficient than the capitalist system in tapping human potential to the full, if human needs are not satisfied to the same extent here than under the capitalist system, then the superiority of socialism is not being realized and socialism has no appeal. In reforming our old order and achieving our objectives for the next century, we cannot sidestep three fundamental and difficult issues:

A. **Restructuring the public economy.** The emergence of the public economy is no accident. After World War II, many backward nations expropriated the assets of feudal princes, dukes, and nobles, and turned them into public assets. Hardly a single success story can be found in those countries where public ownership takes the form of

direct state ownership and management. In China, ownership by the whole people takes the form of direct state management, in effect separating workers from the means of production. Enterprise reform in China has been moving forward step by step, from the delegation of authority and the replacement of profits by taxes to the contracting and shareholding systems. The purpose is to resolve the responsibility for appreciation of state assets. Only if the responsibility for the appreciation of state assets is pinpointed and the boundaries of properties are clarified would enterprises become capable of self-development and self-restraint. Otherwise, enterprises would not seriously consider whether they are duplicating a project, whether they can recoup their capital, and whether they are maximizing their profits. Let us take a look at Shenzhen. Prices there have largely been deregulated, but the labor productivity of state-owned enterprises is a mere 20,000, compared to 90,000 in wholly-owned enterprises, a 4.5-fold difference despite a similar macroeconomic environment. Why? The problem lies with the development and restraint mechanisms of state-owned enterprises. That is, these enterprises are not accountable for their own profits and losses.

Restructuring the public economy is a more profound and complex operation than is generally understood in economics. In the Chinese public economy, if an enterprise wants to assume responsibility for its own profits and losses, it has to do more than sort out property rights and assorted problems related to a planned economic system. It must also come to grips with the divorce between production organizations and the social welfare system and organizations. It can thus be seen that the full meaning of restructuring the public economy is the rearrangement and reconfiguration of the organization, operation, mechanism, and rules of all kinds of social organizations (including market organizations, production organizations, and circulation organizations), down to each and every basic social unit.

B. **Reshaping the power structure.** As economic reform intensifies, we cannot but carry out political reform. Today diversification and democratization have become the trend in reforming East European nations and the Soviet Union. Remolding the power setup now lies at the heart of the reform discourse. We believe that given its current stage of development, China must make a concerted effort to tackle the following three issues if political reform is to proceed smoothly and the pace of socialist democratic political construction is to speed up.

1) Establish a democratic voting system for the central decisionmaking body. Before a policy decision is made, a number of advisory bodies should offer alternative plans for consideration. These should be fully discussed by the policymaking body in accordance with democratic procedures. After weighing the pros and cons, the body should arrive at a decision through the "one man, one vote" system under which the minority submits to the majority. This is vital. Only thus can the power elite arrive at a consensus, share the risks, and tide over a

difficulty together. 2) Straighten out the relations between the central power organs and functional agencies. 3) Ensure that the central government maintains effective overall regulation and control, at the same time giving local governments adequate autonomy. The central-local political and economic relations are one of the key relations that we have never really succeeded in sorting out since the PRC was founded. If this problem is not resolved, it will slow down modernization significantly.

C. Remolding the national spirit. Since reform and the open policy began, public thinking has undergone a remarkable change. On the other hand, the emergence and development of the commodity economy and the broadening of the open policy have been accompanied by some corrupt things. It is inevitable that the old morality, old rules of conduct, and the old order would crumble in the course of reform, but if they are not replaced by a new morality, new rules of conduct, and a new order, our nation will degenerate amid spiritual confusion. The remolding of the national spirit, therefore, brooks no delay.

#### **Reform Is Protracted Warfare as Well as an Attack on Heavily Fortified Positions**

Reform is an extremely complicated and arduous task. The presence of a host of formidable restraints also determines its protracted nature. the clarification of property rights, the maturing of economic organizations, the formation of a corps of entrepreneurs, the creation of market mechanisms and a market order, the establishment of a legal system—all this constitutes a process, as does the transformation of the social structure, particularly the division of social cells and the socialization of a variety of functions, not to mention the reshaping of the power structure, political structural reform, and the introduction of socialist democratic politics.

During the decade of reform, we experimented in each and every way. As a result, potential that lay dormant under the old system was tapped and mobilized as never before. The achievements of reform have been monumental. At the same time, however, a series of underlying problems were also thrust before us. There is no sidestepping them now. We can no longer bank our hopes on reform measures that are not too risky but pay handsome dividends. The days of "quick pay-offs" are gone. Henceforth, every reform measure of substantive significance is bound to be more risky, analogous to a battle against a heavily fortified position. It will require even more courage, resolve, intelligence, and effort on our part. But reform will be more than tough. It will also be a protracted struggle because of the herculean nature of the task and the many constraints previously discussed under which we operate. The idea that "behind the dangerous pass lies a stretch of flat land" is mere wishful thinking.

When reform enters the protracted and difficult stage, we should concentrate on the following three endeavors:

#### **A. Choose an Appropriate Direction of Attack**

The irrational price system used to be the focus of public discussion on reform. Reformers in Yugoslavia and Hungary, for instance, made price reform the target of the opening salvo in their reform battle. It is a pet theory among Western economists that there can be no market mechanisms without price decontrol. In our own daily economic life, some commodities are in short supply, while others are overstocked. Some commodities are of poor quality but highly priced, while others are of good quality but inexpensive. After getting some decision-making authority, the first thing enterprises complained about was the unequal distribution of advantages and disadvantages. All this would have us believe that the price system should be our first line of attack. Today, practice has given us an answer. Price formation is the result and reflection of the operation of the economy as a whole. As long as enterprises are not held accountable for their own profits and losses, price deregulation is not only extremely risky, but it will not produce the desired results. As a matter of fact, the experience of rural reform has already made this point quite clear. What accounts for the success of rural reform, the adjustment of agricultural product prices or the joint output system of contracted responsibility? Clearly the latter. Only by separating the ownership and management of land, putting peasants in charge of running the land, and turning them into the masters of labor assets did we succeed in truly mobilizing their production and operational initiative. All we can do at the present stage is to carry out careful analysis and settle on a direction of reform. Then we must make up our minds and put in a major effort. This is the only way to make our reform pay off.

#### **B. Reconcile Balancing and Stabilizing With Reform**

When reform leads to a gross imbalance in the economy and causes social turmoil to exceed our tolerance threshold, it will inevitably lose the initiative and may be stalled even if we have clear direction. Thus, it is absolutely imperative that we spend some time adjusting to ensure balance and stability. However, is it possible to carry out reform in a stable, balanced, and relaxed environment? Involved here is the question of consistency between wishes and reality. The experience of rural reform is illustrative. Rural reform did not take place in a relaxed environment. On the contrary, it was bold reform at a time when the rural economy was teetering on the brink of collapse that created a relaxed environment for future development and reform. Certainly, urban reform is much more complex than rural reform. We can only handle the relationship between balancing, stabilization, and reform dialectically, which is a very tricky form of operational art. In terms of general principles, we think we should regulate and control the "fast variables" (parameter variables) closely related to balance and stabilization, such as prices, interest, and exchange rates. At the same time, we must firmly speed up the reform of "slow variables" (institutional variables), such as the reform of production, circulation, and social organizations. Regulating and controlling the "fast

variables" alone may achieve the purpose of stability and balance temporarily, but it really will do nothing more than postpone some basic problems which may worsen when the opportune moment comes. Substantive progress in the reform of "slow variables," on the contrary, will lay a solid foundation for balancing and stabilizing and give us more room to maneuver.

#### C. Adopt a Reform Strategy That Focuses on a Few Selected Targets

Given the fact that the dual system will remain basically unchanged in the near future, it would be very difficult to storm heavily fortified positions, which presents enormous coordination problems and is fraught with unpredictable risks. It may objectively shake our resolve to reform and implement policies. On the other hand, if we delay launching major attacks on heavily fortified positions, we may find ourselves losing the initiative. When we put off solving some problems for long, they will accumulate and get worse. To stay clear of these two predicaments, we should follow a third course; select a few strategic targets of overall significance and concentrate on them in coordination with the development of a coastal export-oriented economy and the open policy. Not only should we undertake single pieces of reform, but we should also go in for comprehensive reform. New institutions should be set up in area after area to bring about the shift from the dual system. This is the way to accumulate experience and create a model for reform on a national scale. In a certain sense, we can say that when the reform experiences of all experimental test sites constitute a coherent pattern, Chinese reform will reach a deeper level across the board.

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#### 'New Controls' Needed To Eliminate Corruption

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[Article by Li Jingpeng 2621 2529 7720: "Political Corruption Results From Breakdown of Existing Control Mechanisms"]

[Text] Political corruption, which is almost inevitable as a nation pursues modernization, is widespread in developing nations today. Over the past few years, political corruption has also become a serious problem in China and is the focus of much public concern. Students of politics are duty-bound to analyze this problem and come up with appropriate solutions.

1. Historical Review. Present-day political corruption can trace its origins to the dawn of the PRC and even earlier. In those days, however, political corruption was an isolated and temporary phenomenon. The current upsurge in corruption really began with the Cultural

Revolution. In destroying all normal order, the Cultural Revolution also wrought havoc with the system designed to guarantee honesty in party and government workers. Rebel factions, who had no training in government and party honesty, found themselves wielding enormous power. Their appetite whetted by their first taste of power, they sought to further their own personal interests by using their power. Soon the struggle for power and the abuse of power became widespread. The hallmark of political corruption then was the abuse of political power. There were countless instances in which leaders of rebel factions across the country rode roughshod over the people, savagely oppressed the masses, perverted the law, and schemed to profit themselves. After the Cultural Revolution, the root of corruption went dormant, particularly in the spirit of a generation, only to rear its ugly head again when the right conditions presented themselves.

The second wave of political corruption occurred after the cadres who were attacked in the Cultural Revolution were reinstated in their old jobs. A majority of party and government cadres at all levels were treated inhumanely during the revolution. Even their children suffered miserably. After the revolution, as they were gradually restored to their original positions and given back their former power, they naturally looked for ways, including the use of their newly restored positions and power, to improve the lot of their children. From the viewpoint of a family that had been persecuted, this desire was understandable, but it has been disastrous for the nation and society and constitutes an abuse of power for personal gains that cannot be tolerated. There is no length to which they would not go to improve their children's circumstances. Besides, they have a tendency to try to outdo one another, which naturally only makes things worse. Thus, a new wave of political corruption swept across the land.

All this suggests a new form of social behavior: Using one's power to seek whatever one wants, in violation of all existing rules and norms. There was an old saying during the Cultural Revolution: "If you have power, you have everything." That has come true today. The lesson it teaches us is this: With the backing of some kind of power, we too can obtain all sorts of benefits in violation of the system and the rules. The key is deciding the means and finding the right kind of support. Hence, it became fashionable to enter by the back door. So-called "entering by the back door" is actually a special kind of exchange in which a certain value is traded for power, which is then converted into whatever concrete interests are desired. In this exchange, power is an indispensable medium or, shall we say, an ordinary equivalent. From another perspective, we can say that power has been converted into an instrument of promoting one's interests. In the course of this exchange, institutions and rules previously regarded by the public as inviolable fall by the wayside, gradually creating the basic conditions for the explosion of political corruption.

The third wave of political corruption took place after reform and the advent of the open policy. Spurred by the growth of a commodity economy, people are increasingly driven to make money and indulge themselves. Meanwhile, there are serious shortages of all sorts of goods and materials and the distribution system is excessively rigid. Under these circumstances, the exchange between value and power becomes a constant social factor, further institutionalizing and popularizing political corruption. This way political corruption becomes a precondition for the existence of township and town enterprises, a means whereby ordinary institutions and enterprises solve the problem of shortages and get around the restraints imposed by existing rules and norms. It is the passport to wealth for some people. It provides a way out for the man on the street who wants to lay his hands on some consumer goods ahead of others or who wants to extricate himself from assorted tight corners he encounters in his daily life. It is a vehicle whereby people with some power can improve their material conditions and line the pockets of their relatives. In the process political corruption gets worse and worse.

It can thus be seen that a salient feature of political corruption in China is its widespread social nature. It influences tens of thousands of people in all walks of life at all levels, which makes it an extensive and serious social disease. It is radically changing the value system and even political culture of the people and seriously corroding the fabric of the entire society. That is to say, serious political corruption has merged with serious social corruption, resulting in political social corruption. To get a deeper understanding of this phenomenon, one must further analyze the diverse factors that have spawned social corruption and brought about the union between social corruption and political corruption.

**2. The Basis for Political Social Corruption.** First, at the very root of political and social corruption in China is the hunger for interests that developed after reform and the open policy began. For a good many years in the past, China remained in a state of isolation and suppressed personal interests. Members of the public were also indoctrinated into stifling their own demand for material interests. The result of this dual suppression was to rob socialism of its driving force and push the socialist economy to the brink of collapse. In the wake of reform and the open policy, the question of personal private interests instantly came to the fore, both on the spiritual and policy levels. The pursuit of material gains, long suppressed, erupted suddenly in the form of a mad scramble the ferociousness of which surprised everybody, disrupting every aspect of society. Certainly, the interests pursued by groups and individuals at different strata of society vary significantly. Some people want nothing more than an end to the suppression of their personal interests or the unjust distribution of interests. Some people hope that they will be rewarded in a way commensurate with the labor they expend so that their hard work will lead to prosperity. Others want to build on their existing interests, consolidating and expanding

their various privileges. Yet others want to make a fortune by exploiting all opportunities and favorable conditions, for which they will take any risk. Then there are people who are willing to risk death for a 300-percent profit, as Marx said. Some individuals are so driven that they engage in a vicious competition, by hook or by crook, with no regard for consequences. What ensues is all manner of economic and social crime.

All pursuers of interest share a common feature: When they reach a point where they lack the ability or conditions to achieve their ends, they will resort to the most common and effective weapon—power, particularly political power. As for those who possess power, they are naturally in the most favorable of positions. In its diverse forms, the pursuit of interests involves the exchange of a certain social value for the support of political power, thus giving corruption—the abuse of public power to further personal gains—an extensive social basis. Hence, this anomaly: Just about every member of society is opposed to and condemns “entering by the back door,” but he would never pass up an opportunity to enter by the back door himself if necessary. People are torn between two value systems, two moralities, and two personalities. An antitraditional abnormal interest distribution relationship and interest redistribution relationship have also emerged spontaneously. In fact, political social corruption has become a form of protest against and a response to the pattern of interest distribution formed under the existing economy. It will only get worse as the shortages of social values and goods persist and as the economic system remains unchanged, with one fueling the other in a vicious circle.

Second, political social corruption also manifests itself in one widespread phenomenon—people abusing their office to benefit themselves personally. Apart from dealing in power to reach their ends, people commonly take advantage of their jobs to profit themselves. Because of specialization, everybody in society does a different job, which means that through his job, each individual comes into contact with different social values (materials, services, and other miscellaneous social products) and occupies a unique position in the allocation of values. The organic union of all these different values makes up social life. Under normal circumstances, the union is effected through the services one profession provides for others. To ensure that services are provided properly, each profession has its own specific responsibilities, discipline, and ethics. Over a long period of time, such responsibilities, discipline, and ethics have come to be regarded by a majority of people as inviolable, something that must be complied with. This way society is able to function smoothly. These days, however, driven by the desire for profits and influenced by the abuse of political power, more and more people are taking advantage of their jobs to further their own personal interests. At the beginning, they moved gingerly and tried to cover up their activities. Gradually, however, they began to operate in the open unscrupulously, throwing to the winds all the restraints

their duties, discipline, and ethics imposed on them. In this way, the conveniences one enjoys by virtue of one's job become one's tacitly recognized legal privileges. A concomitant phenomenon has also appeared: People exchange such legal privileges among themselves, thus forming a special interest network. As long as you are in the network, you can trade interests, that is, offer your professional convenience or some other value in return for a needed satisfaction. But people in the network can satisfy their wants only at the expense of those outside the network. The more commonplace this kind of social corruption becomes, the more insidious and pernicious it gets.

A multitude of factors has contributed to this phenomenon. Materially speaking, China has been plagued by serious materials shortages for years, the result of a very low level of productive forces, and there is yet no end in sight of such shortages. A related problem is the poor quality of all manner of social services. For lack of an alternative, many people must resort to the abuse of privileges to satisfy their needs. We can see this as the tragic degeneration of a nation. Spiritually speaking, corruption is a process whereby people gradually adopt a nihilistic attitude toward social institutions, norms, and restraints. In the past, such norms and restraints were used to rein people in and were regarded as inviolable. Now they have collapsed like a house of cards. What began as minor breaches in the wall of proper conduct soon expanded until the whole facade crumbled. Then the public discovered that what they used to regard as powerful mechanisms intended to preserve the rules and norms were in fact very fragile, too fragile to arrest the change now taking place. This realization, in turn, created an overwhelming sense of crisis among those individuals who had no intention of abandoning the norms and rules to begin with. Now these people too have been sucked into the tidal wave of corruption, unwillingly but unavoidably. The spiritual crisis born of the nihilistic attitude toward norms and rules of social conduct has grown into an enormous and frightening undertow. What are its implications for social and political development in China? It is too soon to tell at present. But what is certain is that it must not be taken lightly. Culturally speaking, we have historically lived under a natural economy, which has given rise to an egalitarian tradition—"Do not worry about scarcity but about distributing equally what there is." Also, for more than 30 years, we practiced the socialist version of egalitarianism: "Eating from the big rice pot." The union of the old egalitarian tradition and the habit of "eating from the big rice pot" have created a strong tendency to "keep up with the Joneses" and "drift with the mainstream," a situation that no doubt has reinforced the trend toward corruption. As far as the economic system is concerned, in the past everything was done to suppress the development of a commodity economy. In the wake of reform, the transition from the old system to the new system has been much delayed. Consequently, we have experienced

much difficulty in establishing normal competitive mechanisms. It is under this situation that a job became and remains a privilege.

Third, political social corruption also manifests itself as a "laziness competition" resulting from the tradition of "eating from the big rice pot." The socialist principle of "distribution according to work" rests on the exchange of equal values, that is, the exchange of equal labor, in the commodity economy. The fairness of such an exchange is truly realized only in competition under equal opportunity. Yet the mechanism of equal opportunity simply cannot be established under a highly centralized and rigid system where all social values are distributed by the state in its capacity as the sole representative of public ownership. Nominally, distribution is based on the quality and quantity of the labor contribution of an individual. In fact, distribution is determined mainly by the need to balance and equalize the interests of all social groups, coupled with a good measure of subjective speculation. In the process, the exchange of equal labor, which is the foundation of the principle of distribution according to work, becomes something quite different as each individual demands that the state, the owner of all values, satisfy all his wants. As a result, the nature of labor exchange becomes totally hidden. Uppermost in the mind of a person as he demands values from the state is not his labor contribution but the following two considerations. First, his own wants. Since socialism purports to satisfy man's material and cultural needs to the maximum, then the state should do its best to satisfy his wants. His second concern is this: What do other people on my level get? Since we are all equal, whatever they have I should have too. In other words, a rigid system that confers tremendous power on the state has turned what was a rational labor exchange relationship into something comparable to the relationship between the spoiled brats of a family and their fatuous parents. This situation, coupled with widespread material shortages, could give rise to only one thing: egalitarianism of the "eating from the big rice pot" variety. In the past, to make egalitarianism more palatable to society and, shall we say, survive, the government was forced to stifle individual interests, a feat accomplished through ideological struggles. The egalitarian distribution system has exacted a hefty price: long-term economic stagnation and, ultimately, near economic collapse. The reason is this. Under this system, a person could not increase his gains by expending more labor. Since he was paid as much or as little as the next guy anyway, the best thing he could do was to expend less labor, of poorer quality. Hence the "laziness competition:" passive go-slow of all shapes, resulting in low productivity and a low percentage of products that pass inspection. As the entire society becomes devitalized, economic stagnation and political chaos would naturally follow. Since reform and the open policy began, we have begun to realize the seriousness of this problem and are determined to turn it around. However, the old system, particularly the position of the state, which has become well-entrenched, has not changed radically. We have also

taken many steps to promote worker initiative, but it was not long before they were swallowed up and disappeared without a trace into the "black hole" of egalitarianism. In other words, the underlying causes of the "laziness competition" have remained intact. This is not all. We are also faced with a bigger crisis. On the one hand, driven by the hunger for profits, people are becoming less and less responsive to the ordinary tools of stimulating labor enthusiasm, which, therefore, are now less and less effective. On the other hand, the sharp contrast between egalitarianism and what a person sees in society where any number of people are exploiting all kinds of opportunities and resorting to every means to make a quick buck makes a worker less and less enthusiastic for honest work. Consequently, passive go-slow (that is, the "laziness competition"), formerly latent, has now become open, widespread, and blatant. Increasingly, people are so obsessed with the pursuit of money that they have been distracted from doing their own jobs. Less is getting done and the quality of work is declining. The "laziness competition" is a special phenomenon of social corruption, a serious latent social crisis. The social consequences of political social corruption are multifaceted. First, it destroyed the original social specialization and has replaced it with one centered on profit-making. The new specialization is unstable and fluctuates with market conditions. Its social effects are complex; they may be positive, even optimal, as well as negative. As a matter of fact, corruption is a special form of resistance and protest by the public at a time when it cannot get rid of the rigid distribution system developed under the original pattern of specialization. It foreshadows the decline and demise of the old system and old method of distribution, which have lost their vitality; their abandonment by history is only a matter of time. Second, political social corruption has also undermined the basic principles and structure of traditional social interests, laying bare the contradictions within the existing ownership system and making the dissolution of those principles and structure all but inevitable. It is effectively a vast destructive force driving ownership system reforms. Once the interest structure is changed, the political relationship between the people and the government, founded on the old interest principles and old interest structure, would also change. Yet another consequence is that it has dealt a serious blow to our basic values. For example, the sense of being in charge of one's destiny, professional dedication, the concept of honest labor, and professional ethics, to name but a few, have all gradually lost their hold on the people and are being replaced by the desire for profits.

Fourth, political social corruption also manifests itself in the contradictions and conflicts between the traditional political and economic systems, on the one hand, and the demands of the development of a commodity economy, on the other. The development of a commodity economy requires that each and every economic legal person be given increasing autonomy in access to human, financial, and material resources and in production, supply, and marketing. In other words, it requires that he be subject

to less and less control by administrative power and various privileges. Nevertheless, changing the existing rigid economic and political systems has proved to be very difficult. There may be some changes here and there, but the result is often the coexistence between the old and the new, which has made the situation only more confused. To put an end to this situation and develop themselves, some economic units have no choice but to do their best to free themselves from the array of restrictions they used to labor under. In so doing, they must also free themselves from the various policies, restrictions, and rules hitherto regarded as legal. Toward that end, they have used means that are illegitimate so that people in power would look the other way or give them the nod. Newly established township and town enterprises are more prone than others to resorting to these tactics.

The fact is that some economic units have indeed unshackled themselves by maneuvering this way and that and have succeeded in establishing themselves by exploiting loopholes. But what they have done is to push political social corruption to a deeper level, solidifying it and corrupting the moral tone of society even further. Meanwhile, the cracks in the old system through which these economic units have emerged provide a breeding ground for yet more corrupt and negative stuff, reinforcing the trend toward social corruption.

3. The Essence of Political Social Corruption. Economically speaking, political social corruption damages the state and society. It can be summed up by the following formulas: 1) value to power to interest; 2) power to power to interest; 3) power to interest; 4) value to professional privilege to interest; 5) professional privilege to professional privilege to interest; 6) professional privilege to interest. What people are after in all these professional models is maximum benefit in return for minimum price. In reality, the value difference between the ends of each formula is enormous. This inequality only highlights the special usefulness of power. Power can be exchanged in return for substantial interest. Why? Because of its public nature. Power comes from social public life and is at the service of social public life. Accordingly, it is endowed with a measure of authority and strength. In the above modes of behavior, however, power has effectively been personalized (in other words, it has become a personal instrument) and has lost its nature. But since it retains its veneer of public power and its connections with other forms of public power, corrupted power, like public power, is still able to deliver interest. The hidden process of the transformation of public power into private power lies at the heart of political social corruption, giving rise to the unequal exchange between an individual and society, which does tremendous harm to social interests. Such harm also occurs to individuals, particularly when people with power hurt those who have no power, although it must be added that the latter form of interpersonal damage is not keenly felt because of the alienating nature of the existing ownership structure. This pattern of interest

relationship, where a person damages another person as well as the state and society, has in effect become a confrontational and hostile kind of relationship. The confrontation may not be sharp or obvious all the time, but when it does erupt, it will plunge society into wrenching turmoil.

Politically, political social corruption reflects a nihilistic attitude toward political authority and political norms that prevails throughout society. When a minority exercises political management over the majority, a government without authority is unthinkable, as is political life without any rules or norms. When a government does lose political authority, then the state as the embodiment of public power will cease to exist and will no longer be a force transcending society. Should that come to pass, society as a whole will get out of control and dissolve into chaos. In other words, the nihilistic attitude toward authority and rules, which is a product of corruption, is taking us into a danger zone.

Ideologically speaking, political social corruption signifies our nation's abandonment of its own ideals. We are, in effect, judging with the most practical yardsticks any ideals that rise above personal interests and indifferently jettison anything spiritual that does not contribute to our interests directly. As a result, we are being drowned in a sea of vulgar, philistine spiritual products devoted primarily to gratifying the senses. Our nation is losing its spirituality and relapsing into a state of disunity and discord.

The consequences of political social corruption are so severe that we cannot afford to disregard them. If even this state of affairs fails to awaken us, our nation may really be doomed. Needless to say, we are talking about a trend here, albeit a serious one. We are not suggesting that things have already gotten so bad that they are beyond cure. A nation does not lose its conscience readily. It would seem that public conscience disappeared completely during the tragic Mr Q era in history. Not so in fact. Today we are again falling into the ways of that era and in many ways are even more apathetic than old Mr Q. Still, our national conscience has not been lost totally and there is still hope for a cure. Finding such a cure should be our top priority.

4. Remedies and solutions. To stem the raging tide of corruption, people most readily think of returning society to the status quo, which means reimposing rigid political and social strictures on the people and keeping the old institutions and power structure. This approach is the simplest and easiest to understand, but is difficult to implement in fact because it disregards the reality of competition among the various forces involved in the corruption process. We can see that the nation's organs of political, economic, and ideological control did not hibernate as corruption evolved. On the contrary, they were there from beginning to end, trying to bring the situation under control. But corruption flourished despite them. Corruption shows that, by and large, all these control mechanisms have not worked. We have a

feeling that a much mightier random force, one that seems all but irresistible, has completely neutralized all the controls we have, pushing society to the other extreme. It behooves us to analyze this countercontrol force. What really is it? Where did it come from? When we look into it closely, we will realize that this countercontrol force is not something that came from outside that is diametrically opposed to social and political control, much less a violent force that burst upon the scene in the form of countercontrol. Instead it is a hidden force that makes its impact felt gradually. It grew from within the machinery of political and economic control, the organs dedicated to safeguarding rules and regulations, and has worked subtly to weaken and disintegrate political and social control over time until such control finally loses its effectiveness. Because this negative force has emerged from its own alienation, the control system is helpless even as it is faced with its own disintegration. Given this situation, we cannot expect to see new control mechanisms emerging from the original control system, which is crumbling by the day. Any attempt to restore the old status quo with its control system is unrealistic. Basically speaking, therefore, we need to rebuild the control system and control mechanisms. Of course, by "rebuild," we do not mean simplistically rejecting completely the existing control organs. Instead, we should think of ways to transform them into new control organs and new control mechanisms. To rebuild the control system and control mechanisms, many basic conditions must be in place so that all elements needed for such rebuilding would spontaneously and naturally develop from within our political and social life. This is the only way to rebuild. What then are the needed conditions? First, put an end to the current abnormal interpersonal interest relationship, the cornerstone of political and social corruption. At present, the inter-personal interest relationship involves negative, even vicious, competition. We must replace that kind of competition with normal competition premised on equal opportunity so that people receive the benefits due them on account of the quality and quantity of their labor, not power. Such interest competition, which realizes the exchange of equal values in labor, is best suited to implementing the distribution principle of "from each according to his ability, to each according to his work," given the existing level of development. It may help check the insidious tendency in the abnormal interest relationship whereby people damage one another and will enable a normal interest relationship to regulate and maintain itself automatically. Second, completely sever the direct relationship between political and administrative power, on the one hand, and economic life, particularly economic units, on the other. Our traditional political power structure determines the omnipotence of political power, that is, political power transcends, infiltrates, controls, and determines everything in social life. Once political power establishes a direct relationship with the economy, it becomes the wellspring of interest, thereby satisfying the most basic, most important precondition for the abuse of public power for personal gains. By severing the direct link

between political power and economic life, therefore, we would also drastically reduce the omnipotence of political power, minimizing the likelihood of power being traded for interests. This would be of decisive importance in eradicating the abuse of power to further personal interests. Third, the two changes outlined above must be accompanied by the most profound change in the economy, namely, overhauling the ownership system. Such a transformation is needed to put an end to the abnormal interest relationship between individuals, cut off the direct link between political power and economic life, and steer social and political life as a whole onto a new track. Fourth, the competitive principle of equal opportunity should be applied to political life. The ruling party should be subject to powerful restraints and competition and its political and social behavior put under extensive and effective social supervision. Fifth, establish the supreme authority of the law in political life and subordinate professional authority and personal authority to legal authority. Sixth, create a strict civil service system immediately, earnestly, with no compromise. Civil servants should be paid a salary to encourage honesty, and discipline should be rigorously enforced. This is the fundamental way to transform the existing corps of state cadres, who have been corrupted to varying degrees. Seventh, instead of building a spiritual civilization devoid of substance, we should do something more practical—cultivate a sense of citizenship among the people, educate them in a citizen's rights and obligations, improve their civic quality, develop their ability to participate in politics, and organize them in activities. Eighth, reshape the social supervision system thoroughly, getting rid of its corrupt parts. Integrate the entire supervision system and social opinion directly so that the two become inseparable, but keep it independent from government power. Such independence should be guaranteed by law.

How to create these conditions? And, after the conditions are in place, how would the new control mechanisms emerge? How will the latter bring about the new order? All these questions are extremely complex and need to be further explored.

#### Demand for Political Democratic Reform Widespread

##### Opinion Survey Results

40050462 Shanghai SHIJIE JINGJI DAOBAO in  
Chinese 3 Apr 89 pp 1-2

[Article by Ruan Jiangning 7086 3068 1337: "Opinion Survey Shows Strong Demand for Democracy"]

[Text] Demands for democracy and calls for honesty in government from the top down are coming not only from academic and intellectual circles and young people, but also from veteran revolutionaries and elderly cadres who have had their fill of hardships as well as high-ranking officials in party and state organs, according to an anonymous opinion survey announced here last week.

According to this survey—"Well-Known Figures in the Capital Look at Prospects for 1989," senior experienced leading cadres and retired high-ranking officials consider the intensification of reform, the promotion of democratic politics, and the elimination of corruption and laxity as the most urgent issues facing China. Next is running the party strictly, starting with officials at all levels, and achieving honesty from the top down. Stabilizing prices and controlling inflation comes in only third on their list.

The Public Opinion Institute of the China People's University, which conducted the survey, received 172 valid returned questionnaires. The age breakdown of the respondents is as follows: 92 percent are over 50 years of age, of whom 43 percent are older than 70. In terms of administrative ranks, 75.6 percent are at departmental or bureau levels or above.

Asked to predict China's economic situation this year, 30.8 percent said that it would be better than last year. Asked to evaluate the political situation, the most popular response, selected by 35.5 percent of the respondents, was that it would be similar to last year's. Asked to evaluate the party style and social climate, the most popular response, selected by 30.2 percent, was that it would be similar to last year's. Asked to assess the changes in the public perception of party and government authority, 11.1 percent believed party and government authority had gone up or gone up significantly, while 67.5 percent believed it had declined or declined significantly.

Among the respondents' spontaneous comments and suggestions that this reporter has in hand are the following: They see a need to correct high-level policymakers' eagerness for quick success and instant benefits. It is a manifestation of myopia on the part of a leader to depend on administrative measures to gloss over problems that should be resolved in the course of economic reform. It is irresponsible for a leader to seek "stability and unity" during his tenure while letting problems pile up until they become a crisis to be bequeathed to his successor. Only when we have an honest government can we unite the entire population in construction. Reform is a means, not an end. The end is to improve the quality of the whole nation. Reform is the means to free us from the fetters of feudalism and make the nation prosperous and powerful in the shortest time possible. We must not become so obsessed with money that we neglect human factors. The Soviet Union has abolished special supplies for high-ranking officials. Why can we not do the same? Without democratic politics, socialist ownership by the whole people inevitably becomes ownership by the bureaucratic privileged class.

The questionnaire also inquired about various aspects of freedom of speech. Asked whether the mass media should objectively and truthfully report the policy errors of the party and government and problems in the work of leaders at all levels, 76.2 percent answered affirmatively and 0.6 percent negatively. Asked if they agreed with the

proposition that an important guarantee of "rectifying the economic environment and restoring economic order" is to increase the openness of news reporting and have the news media play a supervisory role, 75.6 percent answered yes and 0.6 percent answered no. Asked if they agreed that the purpose of a press law is to safeguard freedom of speech and freedom of publication, rights stipulated in the Constitution, 71.5 percent agreed and 0.6 percent disagreed. To the question of whether the focus of press reform should be to protect the masses' right to know, to discuss politics, and to supervise, 66.3 percent answered affirmatively and 0.6 percent negatively. Only 2.3 percent expressed satisfaction with the current state of China's mass media, 20.9 percent said they were basically satisfied, 59.3 percent said they were not quite satisfied, and 15.7 percent expressed dissatisfaction.

### Status of Reform

40050462 Shanghai SHIJIE JINGJI DAOBAO in Chinese 3 Apr 89 pp 1-2

[Article by Zhang Weiguo 1728 0251 0948: "Relationship Between Reform and Rectification Clarified"]

[Text] At an NPC and CPPCC news conference attended by Chinese and foreign reporters, a foreign journalist asked Chinese officials, "Zhao Ziyang made the intensification of reform and the open policy the basic theme of his report to the 13th National Party Congress, while the guiding idea of Li Peng's report to the current NPC meeting is wholehearted dedication to rectifying the economic environment and restoring economic order. How are we to interpret this contradiction?"

As a reporter for a newspaper that has been a cheerleader for reform and the open policy, I have also been asked frequently what the position of reform is by NPC deputies and CPPCC members attending the two meetings.

The present situation has prompted more people to ponder: Are we to blame reform for everything that has gone wrong and kill it through rectification and restoration? Or are we to make reform the general policy and use reform intensification to guide rectification and restoration?

It is at this juncture that the bold experiment—"Reform as an Engine of Progress"—in Zhuozi County in the Inner Mongolian Autonomous Region became the center of attention. A few days ago, this newspaper sponsored a Zhuozi County structural reform seminar jointly with the Inner Mongolian Structural Reform Commission and news organizations like XIN GUANCHA and JINGJIXUE ZHOUBAO.

Over 200 well-known figures, scholars, and experts in the capital took part in the discussion, including Wu Mingyu [0702 2494 3842], Fei Xiaotong [6316 1321 6639], Lei Jieqiong [7191 3381 8825], Yu Guangyuan [0060 0342 6678], Hu Jiwei [5170 4921 0251], Li Rui [2621 6904],

Li Chang [2621 2490], Xiang Nan [7309 0589], Tong Dalin [4547 1129 2651], Yu Haocheng [0060 3185 2052], Xu Simin [1776 0934 3046], Hu Deping [5170 1795] 1627], Liao Gailong [1675 5556 7127], Wu Jiang [0702 3068], and Xiao Deqian [5135 1779 0467]. Reporters from more than 20 news organizations covering the NPC and CPPCC meetings in Beijing heard about the event and rushed to join the seminar.

Zhuozi County used to be a major relief county in Inner Mongolia. Before the 3d Plenary Session of the 11th CPC Central Committee, the county, whose annual revenues amounted to about 2 million yuan, was 20 percent self-sufficient. The average income of peasants was a little over 40 yuan. After the 3d Plenary Session of the 11th CPC Central Committee, the county made the establishment of a commodity economy the core of its overall reform, affirmed the independence of production and operational units, and completely separated enterprise management from government administration. Of the 22 state-run enterprises in the county, 18 have been auctioned off or transferred. Command planning has been abolished, prices have been deregulated, and the market has been opened across the board.

To overhaul government functions and streamline party and government organs, the county has reduced the number of county government departments from over 50 to only 6. The county party committee eliminated 80 percent of its organs and merged its operations into just 2 offices. Now it has 42 percent fewer staff members compared to as recently as 1986. Meanwhile, agricultural and industrial output has soared. The market is booming, goods and materials are in abundant supply, revenues have gone up 200 percent since 1980, and per capita income in rural areas has jumped sixfold since 1980.

Zhu Xuan [2612 2537], secretary of the county party committee, and Zhang Chu [1728 2806], county chief, feel that "reform must be comprehensive and thorough. It must not be mere tinkering here and there. Reform will certainly unleash a major liberation of productive forces and bring about significant developments in society and history." Bu He [1580, 6378], chairman of the autonomous region, said, "An impoverished county, Zhuozi has tentatively found a new road to comprehensive reform. Practice has proved that its reform has begun to work."

Wu Mingyu [0702 2494 3842], deputy director general of the Economic, Technological, and Social Development Center of the State Council opened his speech by coming straight to the point, "I take exception to the poor simplification, 'rectification and restoration.' Three things were said at the 3d Plenary Session of the 13th CPC Central Committee: rectifying the economic environment, restoring economic order, and furthering reform. Why has the last one been omitted? Is it a coincidence? How many measures are there that really seek to rectify through reform? I find it hard to imagine us going back to reform one fine day 2 years from now,

having abandoned it in the meanwhile. Can you imagine suspending reform like that?"

Deputy editor-in-chief Fan Rongkang [5400 2837 1660] of RENMIN RIBAO said, "Rectification and restoration are strengthening the role of the old system, which will impede the progress of reform." Xiao Zhuozi [5135 3504 1015] pointed out that the danger of a regression to the old system is currently greater than that of inflation.

In our single-minded drive to rectify the economic climate and restore economic order, we must answer the following questions. Do the current problems in production result from reform or have they come about because our reform has not been thorough enough? Have we gone too far in our drive to develop a commodity economy and a market, or have we not gone far enough? Does rectification and restoration mean further developing the commodity economy and the market, or the opposite? Does it mean further pushing enterprises onto the market and truly deregulating them, or controlling them to death with centralized planning? The highly innovative comprehensive reform in Zhuozi County has answered these questions in no uncertain terms.

**Strengthened Democratic Construction Proposed**  
40050462 Shanghai SHIJIE JINGJI DAOBAO in  
Chinese 3 Apr 89 p 2

[Article by Chang Lan 1603 5695: "Political Reform Costs Little But Will Pay Off Handsomely"]

[Text] "I think what Premier Li Peng said about political structural reform, including problems we have encountered and lessons we have learned, was far from sufficient. He also failed to put enough stress on the policy laid down at the 13th National Party Congress that political reform must go hand in hand with economic reform, one helping the other. Nor did he expound clearly enough our experience, policies, and measures in this area. To me, this is a major flaw in the leadership of the State Council, one that has greatly complicated economic reform."

So said Wu Jiwei [5170 4921 0251], a member of the Standing Committee of the NPC and vice chairman of the Education, Science, Culture, and Public Health Committee during a discussion of the government work report by the Sichuan delegation to the second meeting of the 7th NPC. Li Peng, who was present at the discussion, said he accepted Hu Jiwei's criticisms and opinions.

In his report to the 13th National Party Congress, Zhao Ziyang said explicitly, "The CPC Central Committee believes the time has come to put political structural reform on the party's agenda." Examined and reviewed in this spirit, the work of the State Council over the past year is far from adequate. This deserves our attention.

Hu Jiwei pointed out that the reports by Yao Yilin [1202 0181 2651] and Wang Bingqian [3769 3521 0051] as well

as the government work report came close to capturing the crux of the issue: "united from top to bottom," "working together as one," "closely relying on and uniting all nationalities." But how is this to be achieved? That has not been explained in depth. People say our biggest crisis right now is a crisis of faith, that is, the CPC Central Committee and State Council are not doing a good job of persuading the people or holding them together. The solution is to adhere to political structural reform centered on the strengthening of democratic construction even as we develop a commodity economy so that the two—political reform and economic reform—can advance at the same time, one driving the other.

What our party has built up and been practicing over the years is a highly centralized management system. It is used to exercising leadership over everything, deciding everything, controlling everything. Not only has it involved itself in many things that it cannot and should not handle, but objectively it has also weakened the masses' sense of mastery and greatly diminished their initiative and enthusiasm. Consequently, the masses are given to blaming the party and government for everything that goes wrong as well as attributing every achievement to the party. The party is the target of all complaints and gripes. Hence the phenomenon: "Take up the rice bowl to eat meat and put down the chopsticks to curse." We can say this is how the party is being punished for its erroneous style of leadership. Hu Jiwei then went on to criticize the guiding thought behind the party's ideological and political work, which is to teach the masses to be obedient and compliant and to toe the party line. Some leaders do not want to understand the circumstances of complex situations. Others do not like to listen to the opinions of different people. Yet others do not want to appoint people with different kinds of talents, judgments, and temperaments. So their style of decisionmaking is neither democratic nor scientific. Inevitably, policymaking is not free from error. But our leaders are not adept at correcting mistakes in time. As a result, errors compound errors, the work of the government suffers, the party and government lose authority and prestige, and many people have stopped following government instructions. "Orders are not followed through and prohibitions do not work." It has become increasingly difficult to turn this situation around.

To overcome these problems at their source. Hu Jiwei argued, we must carry out political structural reform centered on democratic construction and do our best to safeguard the rights of the masses as master of the land, such as the right to be informed, to discuss politics, to participate in politics, and to supervise, which are the most basic democratic rights. Since the realization of these rights cannot take place without all kinds of news media, the people must also have freedom of speech, freedom of publication, and freedom of the press. The whole nation is watching the formulation of a press law very closely, which is one of the highlights of lawmaking this year. Only by enforcing these democratic rights

effectively can we establish a government that truly enjoys popular support and genuine democratic authority. When that comes to pass, a just, harmonious, united, and stable social order, one that the masses will comply with and protect of their own volition, will naturally emerge.

Hu Jiwei made another important point in his speech, which received a lot of attention. He noted that the strengthening of democratic construction requires little or no money but will pay off handsomely. Back in those days, Yanan was known as a sacred place of democracy. Its economic difficulties were far worse than things are now, but democratic construction proved to be a powerful engine for economic construction in the liberated zone. Besides ensuring war supplies, it also achieved self-sufficiency. This historical experience proves that the current serious economic difficulties make it all the more necessary for us to step up democratic construction. Hu Jiwei emphasized, "For decades our party has neglected democratic construction. The result is painful

losses for the nation and tremendous damage to the international reputation of our party and nation. International friends and Overseas Chinese are quite confident that our economic reform will succeed, but they are more skeptical about our democratic construction."

It will be a long time before China is recognized as an economic power in the world, definitely much longer than 50 years. This is determined by our current national conditions. But if we really make up our minds to intensify political structural reform and quicken democratic political construction, it will take us just 10 years, certainly not 50 years, to become a leading democracy in the world and cultivate a respected democratic image. This, in turn, will greatly enhance our confidence to overcome difficulties and forge ahead.

Hu Jiwei's ideas not only struck a responsive chord among NPC deputies but have also caught the eye of the Beijing theoretical community.

PROVINCIAL

**Yunnan 1988 Statistical Report**

40060600 Kunming YUNNAN RIBAO in Chinese  
16 Apr 89 pp 2, 4

[Report by the Yunnan Provincial Bureau of Statistics: "Statistical Report of the Yunnan Provincial Bureau of Statistics on Last Year's National Economy and Social Development"]

[Text] During 1988, the people of all nationalities of Yunnan Province, guided by the provincial party committee and the provincial government, earnestly implemented the policy of "further consolidation of the economy, further deepening of the reform" and accelerated its opening up to the outside world. Production continued to increase, market activities were brisk, economic and technological exchanges with foreign parties were expanded, and new developments occurred in scientific, technological, educational, cultural affairs, as well as in public health, and sports. By initial computation, the province's gross output value was 25 billion yuan, a 14.7 percent increase over the preceding year. The province's revenue was 21.768 billion yuan, an increase of 15 percent over the preceding year. Main problems encountered in the course of the economic developments were excessive social demand, conspicuous supply-demand disparity, the chaotic state in the area of circulation, inordinately steep increases in commodity prices, and evident currency inflation. Since the 3d Plenary Session of the 13th CPC Central Committee, all districts and departments earnestly implemented the policy of "improving the economic environment, rectifying the economic order, and comprehensively deepening the reform," with some results having initially been achieved.

**I. Agriculture**

Agricultural production has been victorious over drought and earthquake disasters in achieving comprehensive development. Gross value of agricultural production of the province during 1988 was 13.539 billion yuan, which was an increase of 6.6 percent over the preceding year. In this amount, the value of farm production increased 7.6 percent, the value of forestry production increased 6.2 percent, the value of animal husbandry increased 5.8 percent, the value of sideline production increased 3.7 percent, and the value of fishery production increased 8.7 percent.

Among the major agricultural products, oil-bearing crop production declined, production of grain and other major commercial crops increased, cured tobacco production developed exceedingly rapidly and occupied some of the high-yield fields of grain production. Grain production fluctuated the last 4 years, aggravating the disparity between supply of and demand for grain.

The following table shows production of major agricultural products:

	1988		Increase Over Preceding Year in %
Grain	9,407,200	tons	0.6
Oil-bearing crops	119,000	tons	-12.0
of these: Rapeseed	85,700	tons	-14.6
Sugarcane	5,838,300	tons	4.5
Cured tobacco	507,300	tons	51.2
Tea	428,000	tons	9.3
Silkworm cocoons	2,000	tons	10.7
Fruit	339,600	tons	7.4

New progress was made in afforestation and greening, the quality of forestry work improved, and the volume of main forestry products increased. Production of natural rubber increased 18.2 percent, of rosin 7.2 percent, of walnuts 10.5 percent, and of Chinese chestnuts 3.1 percent, while production of tung oil seeds and shellac declined. However, in some areas indiscriminate felling of trees and denuding of forests is notorious.

In animal husbandry, raising of grazing animals continues to develop well, and the number of pigs in pen and slaughtered pigs increased. Production of main products, such as meat, poultry, eggs, and milk continued to increase.

**Main Products of Animal Husbandry and Heads of Animals**

	1988		Increases Over Preceding Year in %
Pork, beef, mutton	645,500	tons	8.3
Of this: pork alone	607,700	tons	8.1
Milk	63,000	tons	11.3
Pigs slaughtered	7,722,100		6.5
Large animals at year's end	9,235,500		same
Pigs at year's end	19,308,100		6.0
Sheep at year's end	7,161,300		2.4

Fishery products continued to develop well. Aquatic products of the province amounted to 41,300 tons, an increase of 8.4 percent over the preceding year.

Agricultural inputs were increased, and conditions for agricultural production were improved. At the end of 1988, motive power for the province's agricultural machinery reached 5.793 billion watts, an increase of 13 percent over the preceding year. There were 17,500 large and medium tractors, a decline of 1.3 percent; 115,700 small and walking tractors, an increase of 16.2 percent; 16,500 trucks, an increase of 12.7 percent; 631 million watts of power for irrigation machinery, an increase of 3.2 percent; 450,800 tons of chemical fertilizer applied,<sup>1</sup> an increase of 1.7 percent; 1.007 billion kwh electricity

consumed in the rural areas, an increase of 15.8 percent; and 989,000 hectares of effectively irrigated area, an increase of 1.6 percent.

The agricultural economy as a whole continued to develop well. Gross output value of the rural sector of society<sup>2</sup> amounted to 18.806 billion yuan, an increase of 13.1 percent over the preceding year. In this figure, the output value of rural industries, its building industry, transport industry, commerce, and the catering trade was 5.267 billion yuan, an increase of 26.8 percent, its proportion having increased from 26.3 percent of the year before to 28 percent.

## II. Industry

Industrial production continued to develop well. The province's gross value of industrial output during 1988 was 24.463 billion yuan, an increase of 18 percent over the preceding year; excluding industry at or below the village level, the figure would be 22.464 billion yuan, an increase of only 12.4 percent. In the gross value of industrial output, output from state-owned industries increased 14.4 percent, output from collectively owned industries increased 26.9 percent, output from individually owned industries increased 33.8 percent, and industrial output from other economic entities increased 69.2 percent.

Development of light industry accelerated; its gross output value was 12.164 billion yuan, an increase of 20.4 percent over the preceding year. Heavy industry also experienced very rapid development, with its gross output value reaching 12.299 billion yuan, an increase of 15.7 percent over the preceding year. There was a 50:50 ratio between light and heavy industry.

### Main Industrial Products

	1988	Increases Over Preceding Year in %
Cotton yarn	42,200 tons	2.7
Cotton cloth	178.33 million meters	2.2
Woolen fabric	590,600 meters	3.7
Machine-made paper & cardboard	144,900 tons	24.2
Sugar	555,200 tons	3.7
Raw salt	349,100 tons	6.1
Cigarettes	3,549,200 cases	18.2
Fine quality tea	33,800 tons	11.3
Bicycles	505,200	10.0
Television sets	110,500	3.9
Of these: color TV sets	70,400	56.1
Household washing machines	67,000	21.2
Household refrigerators	108,300	148.3
Sewing machines	92,400	8.7

Raw coal	20.54 million tons	5.6
Generated electricity of this: Hydroelectric	10.226 billion kwh	8.4
Steel	4.811 billion kwh	-4.0
Finished steel products	682,600 tons	10.2
Ten nonferrous metals	573,300 tons	14.2
Cement	82,100 tons	3.2
Timber of all types	4,430,500 tons	12.6
Plate glass	3,317,300 cubic meters	-6.8
Sulfuric acid	1,062,900 standard cases	15.5
Caustic soda	323,200 tons	-0.3
Chemical fertilizer <sup>3</sup>	22,700 tons	2.9
Electric generating equipment	726,100 tons	2.4
Metal-cutting lathes	53,200 kw	27.6
Motorcars	4,000	20.6
Walking tractors	13,600	65.8
	18,500	29.7

Within the 1988 provincial budget, state-run industrial enterprises generated 1.622 billion yuan of profits and tax revenue, an increase of 27.9 percent over the preceding year, and reduced by 8.2 days the turnover of allotted circulating capital. Labor productivity of all personnel in state-owned industrial enterprises with independent accounting systems was raised 13 percent. The quality of most products steadily improved, and consumption of sources of energy declined. In the industrial sector, 704,300 tons of sources of energy were saved, and the rate of energy saving reached 6.6 percent. The total losses incurred by state-run industrial enterprises within the budget declined 1 percent compared to the preceding year, but the manufacturing cost of comparable products increased 16 percent over the preceding year.

New successes were achieved in the deepening of the reform of industrial enterprises. During 1988, 1,536 state-run industrial enterprises—79.3 percent of all such enterprises—throughout the province had instituted the plant director responsibility system. Among large and medium industrial enterprises, 88.4 percent were practicing various forms of the contract management responsibility system, and realized 36.7 percent larger profits and tax revenue than the year before. At the end of 1988, 110 of the industrial enterprises of the province had established lateral economic relationships.

## III. Investments in Fixed Assets and the Building Trade

Retrenchment has been effected in the overall scope of investments in fixed assets. Some results have initially been achieved through a critical reexamination of fixed asset investment projects under construction. Up to the

end of 1988, 169 productive and nonproductive construction projects throughout the province have been stopped or delayed, resulting in a reduction of 357 million yuan in investments. During 1988, a total of 6.988 billion yuan of fixed asset investment projects throughout the province were completed, an increase of 1.34 billion yuan, or an increase of 23.7 percent, over the preceding year. If price increase factors are deducted, the actual volume of work had increased only slightly. In this figure, the state-owned units accounted for 4.773 billion yuan, an increase of 25 percent over the preceding year; collectively owned units for 1.08 billion yuan, an increase of 8 percent over the preceding year; and individual investments for 1.135 billion yuan, an increase of 37.2 percent over the preceding year.

During 1988, state-owned units completed capital construction investment projects to the amount of 2.13 billion yuan, an increase of 6.5 percent over the preceding year. Improvements were made in the investment structure. Productive construction investment projects were completed to the amount of 1.35 billion yuan, an increase of 13.6 percent over the preceding year, raising the proportion within the total amount of investments from 59.4 to 63.4 percent. Nonproductive construction investment projects were completed to the amount of 780 million yuan, a decline of 4 percent compared to the year before, reducing the proportion from 40.6 percent in the preceding year to 36.6 percent. Among capital construction investments, the energy source sector completed projects amounting to 688 million yuan, raising its proportion from 28.3 percent in the preceding year to 32.3 percent. In this figure, the electric power sector completed investments amounting to 619 million yuan, raising its proportion from 25.9 percent in the preceding year to 29.1 percent. The raw and semifinished materials sector completed investments amounting to 65 million yuan, reducing its proportion from 7.2 percent in the preceding year to 3.1 percent. The light and textile industries completed investments of 100 million yuan, raising its proportion from 2.6 percent in the preceding year to 4.6 percent. The transport, postal, and telecommunications sectors completed 224 million yuan of investment projects, raising their proportion from 8.9 percent in the preceding year to 10.5 percent. The agriculture, forestry, water conservancy, and meteorological sectors completed 154 million yuan of investment projects, raising their proportion from 5.5 percent in the preceding year to 7.2 percent. The cultural, educational, and public health sectors completed 333 million yuan of investment projects, reducing their proportion from 15.9 percent in the preceding year to 15.6 percent.

During 1988, the province had actually 24 large and medium capital construction projects under construction and completed investment projects amounting to 802 million yuan, an increase of 12.6 percent over the preceding year. Among these, three projects were completed and commissioned, namely the Pupingcun power plant, the Kunming cement works, and the Kunming plate glass factory. The No 4 generating unit of the

Lubuge power station will also be completed this year and begin working. The new production capacities created by capital constructions are mainly 250,000 kw of electric power generating capacity, 500,000 tons of cement, and 620,000 standard cases of plate glass.

Technological transformation of enterprises has been accelerated. During 1988, renovations and transformations of state-owned enterprises and industrial units were carried out to the amount of 2.307 billion yuan of investments, an increase of 52.6 percent over the preceding year, raising its proportion of state-owned unit investments from 39.6 percent of the preceding year to 50.6 percent. Of this figure, 641 million yuan were used for increasing production capacities, an increase of 104.3 percent over the preceding year; 253 million yuan for increasing the assortment of goods, an increase of 11.7 percent over the preceding year; 170 million yuan for the improvement of product quality, an increase of 94.9 percent over the preceding year; and 76 million yuan to help save on sources of energy, an increase of 2.3 times. Throughout the year, 3,569 renovation and transformation projects were taken up, of which 2,054 were completed and commissioned, adding an additional 1.711 billion yuan of fixed assets.

The building trade continued to pursue the reform in greater depth, and the contract management responsibility system within the enterprises was further perfected. In 1988, among the state-owned enterprises engaged in constructions, 5,853 practiced various kinds of economic contracted responsibility systems. They accounted for 89.9 percent of all engineering projects under construction. Their projects covered an area of 4,300,500 square meters, which accounted for 85.6 percent of all areas under construction. Of these, projects carried out on the basis of contracts won by public bidding and their area under construction accounted for 13.5 percent and 23.5 percent, respectively, of all contract unit projects and of all the area under construction. In 1988, the value of constructions completed by state-owned units amounted to 1.501 billion yuan, an increase of 8.3 percent over the preceding year, with a labor productivity of all personnel of 9,384 yuan, a 14.8 percent increase over the year before.

Geological exploration of mineral resources achieved new successes. In 1988, 37 new locations of mineral deposits were discovered, and for 18 major mineral species additional proven reserves were discovered. During the year, geological drilling was carried out to a length of 25,700 meters.

#### IV. Transport, Post, and Telecommunications

Further potential was exploited in transport and communications, and transport capacity was enhanced. Transportation accomplished by the various means of transportation in the communication system of the province was as follows:

	1988	Increases Over Preceding Year in %
Freight turnover:		
Railways	8.278 billion t/km	4.8
Highways	2.524 billion t/km	7.5
Water transport	60 million t/km	3.4
Air transport	8 million t/km	same
Passenger turnover:	2.391 billion person/km	8.4
Railways	6.481 billion person/km	8.2
Highways	44 million person/km	-12.0
Water transport	417 million person/km	-12.0

Postal and telecommunication affairs continued to develop well. In 1988 postal and telecommunications work of the province amounted to a value of 98.76 million yuan, an increase of 23.4 percent over the preceding year. At year's end, the number of urban telephone users reached the figure of 56,500 households, an increase of 25.7 percent compared with the end of the preceding year.

#### V. Domestic Trade and Supply of Commodities

Markets flourished and showed brisk activity, commodity sales greatly increased. Gross value of social commodities sold retail throughout the province in 1988 amounted to 15,002 billion yuan, an increase of 32.4 percent over the preceding year. If price increase factors are deducted, the real increase was 10.7 percent. Among the gross value of social commodities sold retail, those of agricultural means of production amounted to 1,445 billion yuan, an increase of 33.9 percent over the preceding year, and retail sales of consumer goods amounted to 13,557 billion yuan, an increase of 32.2 percent over the preceding year. In these amounts, 32.5 percent were retail sales to citizens and 27.6 percent were retail sales to social groups. Apart from the cooperative sector of the economy, commerce of all economic types increased very much, compared with the year before. Retail sales by state-owned units increased 35.3 percent, by collectively owned units 32.3 percent, among these, those of the supply and marketing cooperatives by 32.7 percent, by individually operated businesses 28.3 percent, and retail sales by peasants to the nonagricultural population increased 24.9 percent.

There was an overall increase in retail sales of all types of consumer goods. Retail sales of food items increased 30.3 percent, and of clothes 37.5 percent. If price increase factors are deducted, the real increases for food, clothing, and commodities for general use would be 4.7, 12.7, and 19.3 percent. Due to the impact of currency inflation and panic buying, the volume of retail sales of many commodities showed conspicuous increases; among these, grain sales increased 50.6 percent, soap

sales increased 22.6 percent, table salt sales increased 18.9 percent, silk and satin sales increased 36.2 percent, bicycles, television sets, tape recorders, electric fans, and electric refrigerators showed increased sales of from 40 to 77 percent.

Brisk activities prevailed on the market for means of production. During 1988, retail sales of means of production in the materials system of the province amounted to 2,765 billion yuan, an increase of 33.1 over the preceding year. Items sold retail through the materials system were 699,300 tons of steel products, an increase of 9.8 percent over the preceding year; 1,930,800 tons of coal, an increase of 9.7 percent; and 1,149,400 tons of cement, an increase of 2.5 percent.

There has been an excessively steep increase in commodity retail prices. In 1988, the overall level of commodity retail prices in the province increased 19.6 percent, or 1.1 percentage points higher than the figure for the whole country. By cities and rural areas, the increase in the cities was 22.5 percent and in the rural areas 18 percent. By types of commodities, foodstuffs increased 24.5 percent, among these grain by 18.2 percent; prices for meat, poultry, and eggs increased 31.1 percent; vegetables 37.2 percent; clothing 14.2 percent; daily necessities 14.2 percent; medicines and medical supplies 19 percent; fuel 22.9 percent; and agricultural means of production 13.9 percent.

During 1988, the general cost of living of staff and workers rose 21.1 percent.

The general level of procurement prices for agricultural sideline products rose 12.9 percent.

Major problems encountered in market management were: In the distribution sector, a conspicuous state of confusion, indiscriminate price hikes, and increases in forwarding costs. The worsening currency inflation and the excessively steep rises in commodity prices affected the stability of the market, and we have had three waves of panic buying, which extended the range of commodity shortages.

#### VI. Foreign Economic Relations and Trade, and the Tourist Trade

Export trade greatly expanded, and the scope of utilizing foreign capital was enlarged. According to statistics from the Ministry of Foreign Economic Relations and Trade, the total amount of imports and exports of the province during 1988 was \$444 million, an increase of 29.7 percent over the preceding year. Of this sum, exports were \$342 million, an increase of 30.4 percent, and imports were \$102 million, an increase of 27.5 percent.

During 1988, nontrade-foreign-exchange receipts amounted to \$15.35 million, and expenditure amounted to \$4.12 million, thus showing a positive balance of \$11.23 million.

During 1988, the province actually utilized \$8.27 million of foreign capital, an increase of 30.6 percent over

the preceding year. Of this sum, direct investments by foreign firms amounted to \$3.1 million, a decline of 35.4 percent compared to the preceding year; compensation trade amounted to \$5.17 million, an increase of 3.4 times.

During 1988, 17 new contracts were signed for engineering projects and labor services abroad, involving an amount of \$5.76 million, an increase of 84.6 percent over the year before; completed transactions amounted to \$8.27 million.

Tourist trade continued to develop well. During 1988, the province received 121,300 person/times of visitors from over 50 countries and territories, coming as tourists, for sightseeing, to visit people, and in the course of various exchange activities. This figure constitutes an increase of 6.8 percent over the preceding year. Among the visitors, 76,700 were foreigners, an increase of 2.5 percent over the year before, and 42,200 were compatriots from Hong Kong, Macao, and Taiwan, an increase of 46.5 percent. The year's revenue from tourism was \$13.12 million, an increase of 20.6 percent over the preceding year.

## VII. Education, Science, and Cultural Affairs

Educational undertakings were further developed. During 1988, 191 graduate students were newly enrolled throughout the province, while 791 graduate students attended school. Common institutions of higher learning newly enrolled a total of 14,500 undergraduate and graduate students, an increase of 9.3 percent over the preceding year, and had 45,000 attending school, an increase of 9.8 percent over the preceding year, and graduated 10,500 students, an increase of 7.1 percent over the year before. Adult classes at institutions of higher education newly enrolled 7,125 undergraduate and graduate students and had 14,446 students attending classes, an increase of 3.2 percent.

A total of 111,500 students attended various secondary vocational technical schools, an increase of 12,500 students, or 12.6 percent more than the year before, and accounting for 38.1 percent of all students in the senior middle school stage. Adult classes at secondary vocational technical schools had an attendance of 72,300 students, an increase of 41.5 percent over the preceding year.

Junior middle schools of the province had 1,012,500 students, a 2.1 percent increase over the preceding year; primary schools had 4,804,000 pupils, a decline of 3.8 percent compared with the preceding year. The rate of attendance by children of school age was 94.6 percent. Pre-school education and education of slow-learners and physically handicapped children was further developed, but in some districts, especially in the countryside, there is an increasing tendency of students dropping out of school.

Science and technology achieved new successes. During 1988, 45 key research projects were completed

throughout the province, and 65 research results won the province's awards for scientific and technological progress. Altogether 74 projects of the "spark plan" were carried out, of which 39 have already been put into operation. Basic research and applied research has been intensified, and science and research personnel in the thousands have moved into the front line of production, performing technical and developmental services with excellent results.

Patent affairs and the science and technology market are becoming brisker day by day. In 1988, 498 applications for patent rights were received, an increase of 17.9 percent over the previous year. Approval was granted in 176 cases, which was 2.2 times more than in the preceding year. Throughout the year, 2,818 economic contracts involving technologies were signed, 13 times more than in the preceding year, transactions that amounted to 45.35 million yuan, or 3.3 times the number of the preceding year.

The scientific and technological contingent was further expanded. In 1988, units of the state-ownership system employed 526,500 specialized technical personnel, an increase of 23.4 percent over the preceding year, among them 220,000 were teaching staff in middle and primary schools, an increase of 11.1 percent over the year before.

Cultural undertakings flourished. In 1988, the province produced 3 feature films, 4 television films in 4 sections, and issued 10 new films of different kinds. The province had 7,667 film showing units of various kinds, 141 performing ensembles, 128 cultural centers, 148 public libraries, and 17 museums. The province has 9 broadcasting stations and 40 television sending and transmitting stations, of which 7 are TV sending stations, and 24 are TV sending and transmitting stations of 1,000 or more watts. Provincial newspapers or newspapers of provincial rank published 260 million newspapers throughout the year. A total of 12.66 million periodicals of all kinds were published, as well as 123 million books.

## VIII. Public Health and Sports

Public health affairs continued to develop well, and conditions of medical treatment were further improved. At the end of 1988, the hospitals of the province had altogether 82,700 beds, an increase of 17.1 percent over the preceding year. Specialized medical technical personnel numbered 97,500, an increase of 3.3 percent over the year before. Among these, 48,400 were doctors, an increase of 5.9 percent over the year before, and 22,500 were senior nurses and nurses, an increase of 14.2 percent. Preventative and health care work was intensified. New successes were achieved in the prevention and control of various kinds of acute and chronic infectious diseases, as well as endemic diseases. However, the rural areas still suffer from a lack of hospitals and medicines, and 2.3 percent of the province's villages are without medical stations.

New successes were achieved in sports. In 1988, athletes of this province won 35 gold medals, 26 silver medals,

and 28 bronze medals in nationwide sports events. More sports movements of a mass character were initiated. In 1988, the province held 2,497 sports events at or at higher than county level, with an attendance of 894,000 person/times.

#### IX. The People's Livelihood

According to a sample survey of the urban and rural population, the average per capita income available for living expenses in 1988 was in the case of the urban population 1,056.10 yuan, 142.16 yuan more than in the preceding year, an increase of 15.6 percent. If the price increase factor in staff and workers living expenses is deducted, the real income declined 4.5 percent. Due to a variety of reasons, the real income of different urban households was either higher or lower, and the disparities had in some cases widened. The year's net income of peasants was 427.72 yuan per person, an increase of 63.15 yuan over the preceding year, or an increase of 17.8 percent. If the price increase factor of consumer goods is deducted, the actual increase was 4.5 percent. Within the net income of peasants, the average per capita productive income was 390.33 yuan, an increase of 17.2 percent. There are still 8.8 percent of peasant households whose income is below 200 yuan.

With the continuous deepening of the reform of the labor system, the number of employed has increased. During 1988, employment was found for 88,500 in the cities of the province. At year's end, the number of staff and workers reached 2,800,900, or 53,400 more than the preceding year. The total annual payroll of staff and workers was 4,709 billion yuan, an increase of 21.7 percent over the preceding year. The number of staff and workers in state ownership units working under the contract system reached 152,100 persons, 30,000 more than at the end of the preceding year. There were 135,000 self-employed persons in the cities, 16,400 more than at the end of the preceding year.

Deposits by the urban and rural population increased. The balance of deposits by citizens at the end of 1988 reached 6.376 billion yuan, 829 million yuan more than at the beginning of the year, or an increase of 15 percent.

Living conditions of the urban and rural population have been improved. During 1988, additional housing of 4.05 million square meters was built in the cities, and of 14.62 million square meters in the rural areas.

Social welfare undertakings were continuously developed. In 1988, the province had 686 welfare institutions, which had taken care of 6,700 people, an increase of 1.9 percent over the preceding year. Urban and rural recipients of various kinds of social relief from the state numbered 37,000. A total of 59,200 orphans, aged, physically handicapped, and infants scattered throughout society were being supported by the collectives.

Insurance business rapidly developed. In 1988 various types of properties were insured to the amount of 27.975

billion yuan, an increase of 24 percent over the preceding year. Throughout the province, 660,000 households had taken out household property insurance, and 2.73 million people had taken out personal insurance of various kinds. The property insurance business of the province handled a total of 31,452 cases and paid out 76.3 million yuan compensations, and in this way played a positive role in the prompt resumption of production by disaster-stricken enterprises, households, or individuals, and in the restoration of family homes and people's livelihood.

#### X. Population

According to a sample survey of population changes, the province's birth rate in 1988 was 24.01 per thousand and the death rate 7.13 per thousand, the natural growth rate of the population was 16.88 per thousand, an increase of 1.3 percentage points over the preceding year. At year's end, the total population of the province had reached 35.94 million, 600,000 more than the preceding year. As far as the population question, Yunnan Province faces a more serious problem than most other provinces (municipalities, autonomous regions) of the country.

**Note:** Figures of gross national product, national income, and gross value of output listed in public bulletins are computed at the prices of that year; comparison of growth rates with those of the preceding year are computed at comparable prices.

#### Footnotes

1. Volume of applied fertilizer and output of fertilizer are always computed in terms of 100 percent effective ingredients.
2. Gross output value of the rural sector of society comprises the gross output value of the entire agriculture, as well as the output value of agricultural collectives and individual operations, building trade, transport industry, commerce, and catering services.
3. Volume of applied fertilizer and output of fertilizer are always computed in terms of 100 percent effective ingredients.

#### FOREIGN TRADE, INVESTMENT

##### Three Forms of Import Processing, Compensation Trade

40060572A Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 20 Apr 89 p 1

[Article by Wang Zhongming 3769 1813 2494 and Hu Xiaokai 5170 2556 0418: "The Advantages of Three Forms of Import Processing and Compensation Trade Outweigh the Disadvantages"]

[Text] *Editor's note: Recently this newspaper published an article entitled "The Disadvantages of 'Sanlai Yibū' Outweigh the Advantages," which evoked a variety of opinions. This article supports an opposing viewpoint.*

We are given to understand that individually- and privately-owned enterprises in China's coastal regions have achieved gratifying progress in following the three forms of import processing and compensation trade (this term encompasses private enterprises that process imported materials, assemble imported parts, produce imported patterns, and engage in compensation trade). This phenomenon has breathed new life into the development of an externally oriented economy in coastal provinces and cities.

The following advantages accrue when private enterprises follow "sanlai yibu":

(1) It brings foreign exchange into the country. There are 68 (already licensed) private enterprises in Zhongshan Guangdong, 64 in Dongguan Guangdong, and 124 in Nantong Jiangsu. In 1988 they produced, respectively, HK\$11.26 million, HK\$27.28 million, and \$10 million.

(2) It helps draw overseas Chinese and Chinese compatriots on Hong Kong, Macao, and Taiwan into participation in rural reconstruction. By permitting private enterprises to follow "sanlai yibu" the state has attracted many overseas Chinese and Hong Kong and Macao compatriots to return to their home villages to help relatives and friends build workshops and run enterprises. In the suburbs of Shantou there are eight private enterprises altogether, of which six were set up with the help of relatives from overseas, Hong Kong, or Macao. There is a strong sense of mutual trust between relatives and friends, and as a consequence an enterprise set up in this way has certain business assurances. When the enterprise experiences difficulties, visiting associates can help out temporarily.

(3) It helps to bring in capital, equipment, and technology. Among private enterprises that follow "sanlai yibu," the organizational setup for many follows a format in which funding, technology, and equipment are acquired through compensation trade or from visiting associates, while the Chinese side supplies labor, construction sites, and factory buildings. They bring in a great deal of foreign funding, advanced equipment, and technology. Private enterprises in Zhongshan and Dongguan that follow "sanlai yibu" have imported advanced equipment worth HK\$25 million and HK\$11.64 million, respectively.

(4) It helps to expand employment and train personnel. Private enterprises that follow "sanlai yibu" have recruited many workers and alleviated employment pressure in our society. In Zhongshan, Dongguan, and Nantong, private enterprises following "sanlai yibu" have recruited 3,500 workers, 2,573 workers, and 13,500 workers, respectively.

Because products produced by "sanlai yibu" enterprises must enter the international marketplace, there are strict requirements on quality and delivery dates, and the production conditions, product quality, and management level are all directly tied to the economic interests of visiting foreign associates. As a result, these associates

are very interested in the technological and management levels of private enterprises following "sanlai yibu," and often offer them aid and guidance. Some also participate directly in management and in this way introduce advanced production techniques and enterprise management methods, as well as fostering a cadre of talented technicians and enterprise managers.

Opinions are still divided on the issue of private enterprises following "sanlai yibu": some people feel that the disadvantages outweigh the advantages. The basis for this view is as follows:

(1) When private enterprises are allowed to engage in "sanlai yibu" it is easy for them to illegally abscond with foreign exchange. We feel that illegally absconding with foreign exchange is not an evil inherent in private enterprises. A few years ago, when we had not yet developed private enterprise, this problem already existed. It is a management issue.

(2) Initiating the use of child labor is a problem. There is already a serious social problem with young people dropping out of school to work or engage in business. The hiring of child laborers is a phenomenon that exists both in private enterprise and in township enterprise. Moreover, there are also parents who will not allow their children to attend school. Dealing with this issue as a labor management issue, the state has already promulgated a series of laws and regulations strictly prohibiting the use of child labor. The problem can only be resolved if we enhance management and strictly enforce the law.

(3) There is the question of competition with projects undertaken by state-run and collective enterprises. Private enterprises that follow "sanlai yibu" generally depend upon ties to overseas relatives and friends for their business. These visiting foreign businessmen likewise come to establish business links precisely because the Chinese managers are their relatives and friends. For state-run and collective enterprises, on the other hand, business is brought in through negotiations between the foreign trade departments of local governments and visiting businessmen. There is no competition between business brought in by local governments and foreign trade departments and business attracted by private enterprises.

Private enterprises are permitted by state law to follow "sanlai yibu." The "Provisional Regulations on Private Enterprise Management" promulgated by the State Council stipulate that private enterprises can follow "sanlai yibu."

The people of coastal China have a great many overseas links, and there is tremendous potential for developing private enterprises that engage in three kinds of import processing and compensation trade. Only if we enhance management and retain the advantages while eliminating the disadvantages can we create more foreign exchange for the nation and make an active contribution to the growth of an externally oriented economy. We

should support and encourage these enterprises to develop toward an externally oriented economy.

## AGRICULTURE

### Hunan Issues IOU's for Timber

40060715c Changsha HUNAN RIBAO in Chinese  
23 Jul 89 p 2

[Summary] From 1988 to 1989, farmers in Yuntai District, Anhua County, Hunan Province sold 33,600 cubic meters of timber to the procurement station, the procurement station issued over 20,000 IOU's, and owes farmers more than 4 million yuan. Anhua County is a major forest region in Hunan, farmers rely on timber sales to buy grain, but cannot do so with IOU's. Farmers in the region hope the higher authorities will implement preferential policies to resolve this problem.

### Tobacco Farmers Issued IOU's

40060715a Changsha HUNAN RIBAO in Chinese  
9 Jul 89 p 2

[Summary] In 1989 Hunan Province will need 760 million yuan to procure tobacco, but only 400 million yuan has been allocated. At the end of June, Chenzhou Prefecture and Lingling Prefecture were issuing IOU's to tobacco farmers due to insufficient funds. Xintian County has raised over 2 million yuan to procure tobacco, but the county still owes tobacco farmers 2,490,000 yuan for tobacco procured in 1988.

### Rural Savings Increase

40060715b Changsha HUNAN RIBAO in Chinese  
24 Jul 89 p 1

[Text] As of 10 July, rural saving deposits in Hunan Province totaled 6.022 billion yuan, an increase of 506 million yuan over the same period in 1988, and fulfilled 142 percent of the plan.

### Jiangxi Hog Transfers

40060704d Nanchang JIANGXI RIBAO in Chinese  
26 Jul 89 p 1

[Summary] In the first half of 1989, Jiangxi Province exported 693,000 hogs, an increase of 7.6 percent over the same period in 1988; of this amount, 575,700 hogs were transferred to other provinces, an increase of 7.6 percent over the same period in 1988.

### Lack of Pasture in Inner Mongolia

40060706a Beijing JINGJI CANKAO in Chinese  
11 Aug 89 p 2

[Article by Correspondents Wei Youlin 714 0645 2651 and Jiang Pingfeng 1203 5393 6912: "Worries Following a Bumper Livestock Industry Harvest"]

[Text] Halfway through the year, China's main livestock industry base, the Inner Mongolian autonomous region, has had a particularly large bumper livestock harvest. Collation of a survey that the autonomous region bureau of statistics made shows that as of the end of June (the end of the livestock year), the region had 47.5 million draft animals and sheep in inventory for a sudden increase over the same period in 1988 of 5.49 million head. This was a 13.1 percent increase, and the highest record for the autonomous region in the 42 years since its founding. While the broad masses of cadres and herdsmen of all nationalities were happy and joyful, quite a few leading cadres and experts, as well as herdsmen who know livestock saw cause for worry in the midst of the rejoicing.

Their first worry was the increasing conflict between the large number of livestock and available grass. Inner Mongolia has 1.3 billion mu of natural pastureland, of which 1 billion mu is usable. Although Inner Mongolia is a vast area, its present state occasions no optimism. Expert examination shows that about one-third of the usable pastureland suffers in one degree or another from desertification, deterioration, and incompletely preserved plant cover. Since the 3d Plenary Session of the 11th CPC Central Committee, herdsmen of all nationalities have done a prodigious amount of labor to protect and build up the grasslands, rapidly reducing the 25 million mu of desertified and deteriorated grasslands of the 1960's and 1970's to approximately 13 million mu in recent years. However, the area brought under effective control each year currently stands at only 12 million mu, which is lower than the amount of deterioration and desertification. The trend toward decline in grassland productivity has yet to be fundamentally reversed. Under these circumstances, although the enormous increase in livestock brings with it a temporary increase in returns and wealth, it also places a heavy burden on the grasslands. It has been estimated that during the past several years, grasslands throughout the autonomous region have supported 15 million too many livestock, and this figure has now increased to 19 million.

Their second worry was the present lack of complete and effective policies, systems, and mechanisms for solving the conflict between livestock and grass. First of all, because of limited financial resources, a very great gap exists between state investment in animal husbandry and actual needs. In addition, some areas divert funds intended for the livestock industry, making difficult the rapid development of well drilling, the building of livestock sheds and pens, and manmade improvement of the grasslands. As a result, reserve strength for development

of animal husbandry is lacking. In addition, most pasturelands are used without payment, or with little payment, of compensation. To a certain extent, this abets both herdsman and peasant use of the grasslands in a plundering fashion. There is no truly workable system for protecting herdsman or peasant investment of funds or labor. Finally, although the policies of turning livestock over to households at a set price, and private ownership with private raising have stirred the enthusiasm of the broad masses of peasants and herdsmen for the development of animal husbandry; nevertheless, the absence of an associated restricting system has produced a short term attitude of mindless pursuit of numbers of livestock among peasants and herdsmen. In the winter of 1987, more than 9 million livestock were removed from inventory throughout the autonomous region, but in 1988 the number removed from inventory declined to 7.7 million. In addition, the serious shortage of funds for state purchases of livestock products, and the failure to open up completely the channels for commodity flow have also, to a certain extent, stifled peasant and herdsman enthusiasm for selling livestock products. This has resulted in an increase in the numbers of livestock in inventory. Reportedly, IOU's were issued at livestock buying time in 1988, and some of them have yet to be redeemed. One billion yuan will be needed in 1989 just to buy wool, hair, and leather, but only 290 million yuan has been raised as of now. This is a substantial shortfall, making the pace of purchases extremely low. After the arrival of winter, a minimum of 10 million living livestock will be cared for throughout the region. Unless realistic measures are taken to organize peasants and herdsmen to increase the rate of livestock removal from inventory, the opposing future trends of increase in livestock herds and decline in grassland productivity will intensify.

Faced with these problems, many leading cadres and experts have come up with prescriptions for relieving worry as follows:

Quickest possible establishment of an animal husbandry development fund, combining national and local government financial investment with peasants and herdsmen putting up funds in an appropriate system to insure consistent and reliable financial resources for the capital construction of animal husbandry, gradually increasing reserve strength for development of animal husbandry.

Active spread of experiences gained in some pilot projects of "grading and rating grasslands, paying compensation for their use, and fixing the number of livestock on the basis of the condition of the grass." This would promote the rapid building of a complete system for protecting and building the grasslands, for deciding rationally the number of livestock that grasslands may support, and for accumulating labor and investment funds, with attendant rewards and punishments, to insure that the building of the grasslands and increase in livestock proceed in step. This would mean using a system to solve the conflict between the numbers of livestock and the availability of pasture.

Make strenuous efforts to build rapidly a comprehensive service system that includes improvement of livestock breeds, prevention and control of livestock epidemic diseases, building the grasslands, and administration and management. Peasants and herdsmen should be guided to change the shortsighted extensive and plundering methods of production that they have been accustomed to using, and their heedless pursuit of numbers of livestock, taking a new road that emphasizes an expansion of intensive production and increasing economic returns. In this way the conflict between livestock and grass might be resolved by changing mental outlook and production methods.

Units concerned should use every available means to raise procurement funds, further open channels of circulation, continue to enlarge direct exchanges between industry and animal husbandry, and open up livestock product markets in a planned way, thereby solving the conflict between livestock and pasture by helping and encouraging peasants and herdsmen to increase the number of animals they remove from inventory, hastening the turnover of herds, and increasing economic returns.

#### Ningxia Encounters Declining Hog Profits

40060704e Yinchuan NINGXIA RIBAO in Chinese  
25 Jul 89 p 1

[Summary] At the beginning of 1989, Ningxia had 550,000 hogs in stock, and the number of households specializing in hog raising increased by 350. Because procurement prices increased in 1988, farmers could earn a profit of about 100 yuan for each hog. However, in March 1989 feed prices increased from 0.4 yuan per kilogram to 0.8 yuan, and hog procurement prices fell from 4 yuan per kilogram to 2.8 yuan. Farmers have no enthusiasm to raise hogs and are beginning to slaughter sows. The price of piglets has dropped from 100 yuan per head in 1988 to about 50 yuan.

#### Shanxi Extends Farming Techniques

40060706b Taiwan SHANXI RIBAO in Chinese  
24 Jul 89 p 1

[Article: "Ten Agricultural Techniques Widely Propagated Throughout the Province Following the Recommendation of this Newspaper in Concert with the Provincial Department of Agriculture and Animal Husbandry, and the Provincial Academy of Agricultural Sciences. Some Projects Already Producing Marked Benefits in Agricultural Production"]

[Excerpts] [Passage Omitted]

Early in 1989, this newspaper, together with the Provincial Department of Agriculture and Animal Husbandry, and the Provincial Academy of Agricultural Sciences recommended the extension among peasants throughout the province of 10 applied agricultural techniques. [passage omitted]

**Planting of improved varieties.** A marked increase has occurred in the area that grows improved varieties of wheat, corn, sorghum, and millet. The area to which the growing of improved wheat varieties has spread now stands at 14.6 million mu, or 96 percent of the total wheat growing area. This has been the major element in the increased output of wheat during 1989. Improved varieties of corn, sorghum, and millet are now grown on more than 85 percent of the total growing area for these crops. Problems include serious mongrelization and regression of crop cultivars.

**Fertilization using optimized fertilizer blends.** Fertilization using optimized blends of fertilizer has spread to 15.15 million mu in 105 counties and cities throughout the province. This includes 6.12 million mu of wheat, 3.15 million more than in 1988. Statistics from wheat growing areas show fertilization using optimized blends produces yield increases of between 20 and 30 jin per mu more than customary fertilization methods. This means a gross output increase of 125 million kilograms, for an added return of 120 million yuan. The potential for yield increases in this regard remains very large.

**Seed coating technique.** This technique has been extended to more than 810,000 mu, more than 700,000 mu more than in 1988. It is used in more than 40 counties and districts in 10 different prefectures and municipalities. Comparison of coated corn and sorghum seeds with uncoated ones shows earlier sprouting, better developed root systems, sturdier growth, and marked insecticidal functions.

**Wheat rhizosphere nitrogen fixing bacteria technique.** This technique has been extended to a 1,472,000 million mu area throughout the province for yield increase of approximately 11 percent.

**Applied increased yield bacteria technique.** This technique has been extended to an 8.25 million mu area including 5 million mu of wheat, 2.5 million mu of corn, 400,000 mu of vegetable crops, and 350,000 mu of other crops for a total of more than 20 different crops. These areas are located in 57 counties and districts, and 881 townships and towns in 11 prefectures and municipalities throughout the province. In order to make full use of this technique, the province has purchased patent rights to increased yield bacteria, and has invested 650,000 yuan in building a plant to produce it.

**Detoxified growing of tubers.** This technique was extended to a 950,000 mu area in 1959, 550,000 mu more than in 1988 in a 1.38-fold increase. In the major potato growing areas of Yanbei, Xinzhou, and Luliang prefectures, it has been extended to a 900,000 mu area, which is approximately 30 percent of the total potato growing area of the three prefectures. Not only is the growing area large, but the potato propagation area has also increased enormously, laying a foundation for further extension of the technique during 1990.

**Five associated techniques for growing sorghum.** This technique was extended to a 1.6 million mu area in 1989,

400,000 mu more than in 1988. Moreover, as a result of the extension and application, the five associated techniques have themselves undergone new development.

**Companion cropping of wheat and peanuts.** This technique has been extended to more than 100,000 mu. In Linyi County alone, it has been extended to 20,000 mu. Various forms of companion cropping, including the companion cropping of wheat and oil-bearing crops, and wheat and melons can increase economic returns. They have been welcomed by the masses and show a trend toward great development.

**Five associated techniques for growing millet.** This technique has been extended from somewhat more than 4,000 mu in 1988 to 150,000 mu. In Qinshui County alone, it has been extended to 50,000 mu.

**Technique for direct return to the fields of pulverized stalks and stems.** Original plans for 1,270 pulverizing machines during 1989 were been increased by 600 in order to expand the area in which pulverized stalks and stems are directly returned to the fields. However, a shortage of funds made their purchase impossible, posing substantial difficulties for the return of stalks and steams to fields over a 1.2 million mu area. Farm machinery science and technology personnel did a large amount of propaganda and organizational work. They called on-site meetings in 10 different prefectures and cities to relay the technique to peasants. They also acted as intermediaries between peasants and plants in peasant purchases of machines. [passage omitted]

#### Properties of Wheat Cultivars During Baking

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[Article by Wan Fushi 8001 1381 0013, Grains and Oils Department, Chinese Ministry of Agriculture, Wang Guangrui 3769 0342 3843, Agricultural Crops Institute, Chinese Academy of Sciences, and Li Zongzhi 2621 1350 2535, Hebei Agricultural University: "Current Quality of China's Wheat and a Preliminary Exploration of the Goal of Improving It"]

[Text] Wheat is the world's most important grain crop, holding first place in terms of area grown, gross output and total amount traded. In China, both the wheat growing area and total output are second only to paddy rice. As agricultural production expands and the people's standard of living gradually rises, people have more and higher requirements for wheat products. Furthermore, wheat quality has a direct bearing on wheat flour quality and the development of the food industry, and is also the key to satisfying requirements. By way of finding out about the present quality of China's wheat, 76 wheat specimens were collected from among selected superior wheat cultivars planted over wide areas in 16 provinces and cities. These cultivars came from the country's principal wheat growing areas in Hebei, Henan, Shanxi, Shandong, Tianjin, Heilongjiang, Inner Mongolia,

Gansu, Shaanxi, Xinjiang, Jiangsu, Zhejiang, Hubei, Yunnan, and Sichuan. Systematic testing of quality indicators was performed on the specimens from each of the provinces and cities, including the physiochemical properties of kernels, physiochemical properties of flour and dough, and baking quality. Both domestic and international standards were applied, and all testing apparatus used was imported special purpose equipment. This article summarizes results of both these and other studies conducted in recent years for use in a cursory discussion of the quality of China's wheat.

### Present Quality of China's Wheat

See Table 1 for the average values, range, and overall average values for quality indicators in the test materials provided. Assay results showed the overall quality indicators for each of the wheat varieties sent in for testing were higher than test results obtained over the years. Most quality indicators for some cultivars approached the levels of similar types of wheat cultivars found abroad,<sup>1</sup> having rather good nutritional and processing characteristics. They ranked as high grade wheat. However, the quality of a large number of cultivars showed marked insufficiency. Processing quality, in particular, was far from ideal, the number of wheat specimens suitable for making fine quality bread amounting to only 2.5 percent of all specimens sent in. The gluten elasticity of most specimens was moderate to weak.

Quality of the specimens sent in showed marked variation. Most of the specimens sent in from Hebei, Shanxi, and Anhui were white durum wheat having rather good physiochemical properties and baking quality. The average value of all indicators for wheat cultivars from Hebei and Shanxi provinces was higher than from other provinces and cities, and wheat cultivars from Anhui, Heilongjiang, Gansu, Tianjin, and Shandong were somewhat inferior. However, there was no lack of cultivars in which individual quality indicators were outstanding. For example, the sedimentation value was highest in wheat cultivars from Heilongjiang, and Gansu. Wheat from Anhui showed the best baking properties, and wheat from Gansu was hardest. Wheat from other provinces showed a mixture of fine and poor qualities. Each of them was different.

In different wheat cultivars, quality differences showed up more explicitly and concretely. Cultivars 136 and 79-2060 from Taiyuan in Shanxi were the two cultivars receiving highest marks for bread making. C-609 and Hengmai No 1 wheat cultivars from Hebei were of fine quality; their per thousand kernel weight, and their unit weight were very high, and their sedimentation value, and the average values for dough development time and stabilization time as determined by farinograph testing were highest, earning them high marks for use in making bread. It should be particularly noted that although both the protein content and the sedimentation value for Anhui wheat cultivars were relatively low, the dough's tolerance for mixing was very strong; thus, the dough development time, stabilization time, and evaluation

value were all high, so this wheat got a higher mark (62.6) for use in bread making than the national average of 12.3. Anhui 2 and Wanjian 7919 performed particularly well. In addition, Yannong No 15, Lumai No 4, Longfumai No 1, Gansuhan 4, and Qingfeng No 1 wheat cultivars also possessed rather good baking properties. The foregoing cultivars have definite utility.

The wheat specimens sent in from Inner Mongolia, Yunnan, Henan, Sichuan, and Hubei exhibited either indifferent or rather poor quality. Their nutritional quality was relatively low, and their gluten rather weak. Nevertheless, it is still possible to find cultivars possessing fine characteristics in these provinces as, for example, 829 B from Henan, Ba 77164 from Inner Mongolia, Mianyang 19 from Sichuan, and Jingzhou No 66 from Hubei, all of which are wheat cultivars possessing pronounced strong points. The quality of wheat cultivars sent in for examination from Xinjiang, Shaanxi, Zhejiang, and Jiangsu provinces was rather poor.

The foregoing situation provides us with only a preliminary understanding of the present properties of wheat cultivars from the country's major wheat growing areas. A more penetrating analysis will be required for further discussion of the fine points of wheat quality.

### Analysis of Principal Quality Indicators of Chinese Wheat

#### (1) Kernel Characteristics and Protein Content

Among all the wheat specimens sent in for examination, the kernels of 73.7 percent were hard, 26.3 percent were soft, 65.7 percent were white, and 34.3 percent were red. The percentage of incompletely developed kernels and the content of impurities was far lower than the nationally prescribed standard. The per thousand kernel weight and the per unit weight were rather high, averaging 39.2 grams and 796 grams per liter respectively.

Most of the specimens sent in for examination were durum wheat; however, their hardness and their protein content varied rather widely. There was an extremely marked positive correlation between hardness and protein content,  $r = 0.4319^{**}$ . Protein is the most important nutritional component of wheat kernels, and it is also an important indicator for judging processing quality. Generally speaking, high protein wheat cultivars have rather high bread baking properties. Results from analysis done in China show the wheat content of the country's wheat as being not high enough. During 1983 and 1984, the Agricultural Crop Institute of the Chinese Academy of Agricultural Sciences analyzed 1,070 wheat cultivars, finding an average protein content of 12.57 percent. The average for 572 wheat cultivars as determined by the Agricultural Crops Cultivars Resources Institute was 12.76 percent. These results were not greatly different than the 12.97 percent protein content of common wheat measured by the United States Department of Agriculture.<sup>2</sup> Moreover, the protein content of the wheat kernels sent in for examination averaged 13.7 percent,

Table 1 Averages of quality characters in wheat varieties from different regions

Classification of wheat		Incomplete Kernel		Kernel		Wheat flour	
(%)	(%)	(%)	(%)	(%)	(%)	(%)	(%)
22.6	0.4	0.11	0.4	10.6	81.9	40.5	21.2
5.4	20.6	1.7	0.03	1.1	10.9	81.2	45.6
21.2	24.8	15.2	0.08	2.3	11.6	78.1	40.3
83.2	0	0	0.01	0.3	9.8	79.2	33.2
25.3	37.7	12.2	0.45	1.1	10.5	80.4	40.5
0	92.5	7.5	0.03	0.4	11.9	79.8	34.2
6.0	15.8	0.2	0.29	5.3	10.8	79.4	37.5
0.8	61.6	0.9	0.01	2.5	10.3	79.6	37.9
20.0	19.5	55.5	0.01	0.1	11.7	81.0	41.0
7.5	17.1	1.1	0.13	4.3	10.9	79.6	35.9
12.4	19.6	0.4	0.04	1.8	10.9	80.3	38.0
—	—	—	—	—	—	—	—
19.0	38.8	1.2	0.01	0.7	11.0	78.8	42.7

Whiteness		Ash content		Wet gluten	
(%)	(%)	(%)	(%)	(%)	(%)
413	14.0	21.2	70.5	1.83	31.0
416	14.6	32.8	74.8	1.89	32.6
359	11.6	19.0	78.9	1.96	22.7
436	12.1	25.1	78.8	1.84	24.9
328	13.5	30.8	76.8	1.99	31.8
364	14.4	37.5	74.3	2.15	33.9
387	13.6	26.7	75.2	1.71	29.5
346	14.3	33.6	73.5	1.61	33.8
389	13.6	21.8	79.5	1.82	26.4
384	15.7	32.3	73.2	1.92	34.4
366	13.2	25.9	75.0	1.72	29.1
—	14.6	26.7	76.2	—	—
372	13.4	22.7	76.0	1.72	27.2

Regions	Water absorption (%)	Farinograph test				Mixograph test				Baking test (100g flour)	
		(B. U.)		(B. U.)		(cm)		(cm <sup>3</sup> )		Score	
		Stability (minute)	Mixing tolerance index	Breakdown time (minute)	Degree of softening	Peak height (cm)	Slope after peak (degree)	Volume (cm <sup>3</sup> )	Specific Volume (cm <sup>3</sup> /g)	548.1	56.5
Xinjiang	66.5	2.50	2.06	69	3.91	104	42.5	1.8	7.0	13.6	548.1
Hebei	65.8	4.20	9.50	17	13.7	35	59.4	2.4	7.2	12.6	628.7
Jiangsu	66.7	2.20	2.84	70	4.02	113	40.0	2.4	5.8	5.7	558.8
Zhejiang	61.3	2.00	3.20	65	4.41	101	41.0	2.5	6.4	9.9	578.4
Neimenggu	65.5	5.18	3.56	36	10.93	65	57.3	2.8	7.7	18.5	560.0
Heilongjiang	65.9	4.63	8.48	35	10.31	70	55.8	2.8	7.4	16.0	572.5
Anhui	64.6	4.30	7.87	30	11.05	68	54.9	2.9	6.8	13.1	613.0
Gansu	68.7	4.04	6.66	29	9.08	58	55.5	1.9	8.0	23.2	614.4
Hubei	64.6	2.25	3.43	76	4.75	121	40.5	2.1	6.8	13.4	601.9
Shanxi	64.2	4.18	8.68	29	11.64	54	56.2	2.3	8.5	30.3	669.2
Shanxi	65.2	3.00	3.60	70	5.42	116	45.3	2.1	7.2	19.0	534.6
Tiaojin	63.0	4.00	4.34	46	5.95	95	46.6	2.1	7.1	18.1	589.5
Henan	64.2	3.05	4.57	55	6.10	95	46.2	2.1	6.7	10.0	617.0
Shandong	66.4	3.28	5.33	48	7.39	85	49.6	2.0	7.2	18.4	579.4
Sichuan	62.8	3.88	6.64	48	7.63	78	51.3	3.0	6.9	13.4	567.2
Yunnan	65.8	3.00	3.13	84	5.00	122	43.0	1.8	7.7	29.5	550.1
Average	65.1	3.48	5.24	50	7.58	86	49.1	2.3	7.1	16.5	586.4
Range	58.4-77.8	1.00-11.25	1.20-16.50	0-128	2.00-17.00	20-200	31.3-82.0	0.9-6.0	5.3-9.4	1.5-43.0	433.3-867.5
										2.9-5.1	27-97

the protein content for the wheat from Shanxi, Hebei, Tianjin, Shandong, Heilongjiang, and Gansu being greater than 14 percent, and the average for Jiangsu, Zhejiang, and Sichuan being below 13 percent. The average for Jiangsu was 11.55 percent.

### (2) Flour Making Properties

By flour making properties is meant the flour outturn rate, low ash content, high whiteness, and a large wet gluten content.<sup>3</sup> Results of analysis showed an 86.5 percent average flour outturn rate, 75.8 percent whiteness, and a fairly low ash content. Indicators of bread processing quality are gluten content and quality. Quite a few countries class wheat flour on the basis of its gluten content and gluten strength as strong flour, medium flour, and weak flour in keeping with requirements for processing different foods. For example, the gluten content of specially manufactured, special grade flour used for making bread in Japan ranges between 37 and 46 percent. The gluten content of the wheat cultivars sent in for examination averaged 29.6 percent, the spread ranging from 17.0 to 39.1 percent. This included wheat having a fairly high gluten content from Shanxi, Heilongjiang, Gansu, and Hebei provinces in which the gluten content stood at 34.4, 33.9, 33.8, and 32.62 respectively, close to the level for strong flour. However, since the gluten elasticity was rather poor, it was not suitable for baking premium quality bread. The average gluten content of wheat from Jiangsu and Zhejiang was rather low at 22.4 and 24.9 percent respectively, not meeting the national standard of a 26 percent gluten content for very strong wheat flour. Only cultivars suitable for making biscuits and pastries could be selected from these cultivars.

### (3) Rheological Characteristics of Dough

Nowadays, widespread testing of the rheological characteristics of dough in the process of its development are

performed internationally to show gluten quality. Commonly used instruments are the farinograph from West Germany,<sup>4</sup> and the mixograph from the United States.<sup>5</sup> Test results showed a water absorption average value of 65 percent for the wheat cultivars sent in for testing, and as high as 78 percent for some cultivars. The average dough development time to peak was 3 minutes (ranging from 1-11.3 minutes), and the evaluation value was 49.1 (31.3-82.0).

The dough development time and stabilization time for the wheat from Hebei, Shanxi, Anhui, and Heilongjiang provinces was fairly long, reaching 4 minutes and more than 8 minutes. Softness ranged between 35 and 70 B.U., and evaluation value between 55 and 59. This showed that China also has wheat cultivars in which the quantity and quality of gluten is superior. It is hoped that they will be put to full use once they have been sorted out.

Results of the mixograph tests showed a short development time, and a fairly large slope angle after peaking for most of the cultivars sent in for testing, showing rather poor gluten strength, and not very good tolerance for mixing.

### (4) Baking Quality

The baking quality of most of the wheat cultivars sent in for testing was in the moderate range. Bread volume and scoring averaged 586.4 cubic centimeters, and a grade of 62.6 (See Table 2). Bread made from wheat varieties Taiyuan 136 and 79-2060 (from Shanxi), 929 B (from Hebei), C 609 (from Hebei), Jingzhou No 66 (from Hubei), and Longfumai No 1 (from Heilongjiang) not only scored as high as 80 plus, but cultivars sent in from these provinces were in the front ranks in terms of characteristics denoting quality. Bread made from Taiyuan 136 and 79-2060 scored highest with a mark of 97.0 and 92.5. Bread baked from these two cultivars was large in volume, fine in shape, smooth in structure, and was evenly honeycombed. The center of loaves had a silken luster, and fairly strong elasticity. These wheats could be used to make rather first rate bread.

Table 2. Scores for Bread Made From Wheat Having Different Average Values for Six Quality Characteristics

	0-59	60-70	71-80	81-90	91-100
Per unit weight (g/l)	1794	801	796	794	792
Crude protein content (%)	13.97	13.24	13.54	14.48	16.26
Sedimentation value (ml)	25.5	24.9	29.2	30.3	45.4
Wet gluten (%)	30.3	28.3	29.5	29.9	37.4
Stability (minutes)	3.82	5.83	5.97	5.87	14.63
Evaluation value	45.2	48.6	53.0	53.4	65.0
Percent of total sample (%)	84.0	27.8	28.9	7.6	2.5

It should be emphasized that not only was the protein content of Jingzhou No 66 fairly high, but the sedimentation value, the wet gluten, and the various indicators that the farinograph tested relatively low. Nevertheless, that variety's gluten elasticity was fairly strong. It was

one of two strong gluten varieties among the cultivars sent in. It showed up well in the dough fermentation and baking process, the bread scoring rather high. This revealed two points as follows: 1) Not just nine indicators should be used in the evaluation of the country's

wheat quality; an overall evaluation should be made; and 2) one has to recognize that a relationship is bound to exist among the various indicators of wheat quality; however, some cultivars of wheat may exhibit idiosyncrasies in some of their characteristics under the influence of internal and external factors.

Overall test results showed that, to a greater or lesser degree, most provinces and cities possess wheat cultivars having good baking properties. Currently wheat cultivars from a small number of provinces, namely Shaanxi and Zhejiang have inferior baking properties, but they do not lack wheat cultivars suitable for making biscuits. Examples include Yanan 17, and Mai No 2. The amount of sales of biscuits and pastries in China today far surpasses the amount of bread sales; therefore, low gluten wheat cultivars from some provinces still have many uses.

#### Exploration of Quality Standards for Premium Wheat Cultivars Used in Making Bread

All 79 of the wheat cultivars sent in for testing were "premium" varieties that each province and city selected. Our analytical testing found several premium quality cultivars, namely spring wheat cultivars Zhongyin 779, Ba 77164, Longfumai No 1, and Gansuhan 4. Winter wheat cultivars included 79-2060, Taiyuan 136, Annong No 2, C 609, 829 B, 0591, Mianyang No 19, and Yannong No 15. Distinguishing features that these cultivars held in common were: a fairly high per unit weight and per thousand kernel weight, fairly high hardness, and a crude protein content higher than 1.2 percent. Flour from these cultivars was somewhat low in whiteness, but sedimentation values, wet gluten content, and dry gluten content were respectively 40.9, 14.9, and 15 percent higher than average. The various indicators that the farinograph tested were outstanding, attaining or approximating a dough development time of 7 minutes plus or minus 1.5 minutes, a stabilization time of 12 minutes, plus or minus 1.5 minutes, and a breakdown time of 14 minutes plus or minus 1.5 minutes required for premium quality baked bread in the United States. Bread baked using the foregoing kinds of wheat flour had large volume, smooth texture, a marbled structure, excellent resilience, and delicious flavor, scoring fairly high. The score for bread made from 79-2060 and Taiyuan 136 was higher than that made from Chinese produced Qiangli flour, and close to the score for imported Golden Elephant flour. Clearly, only when a premium wheat variety has good overall indicators of quality is it able to produce premium food products.

Let us now discuss cursorily the quality indicator standards for selecting premium wheat cultivars or improvement goals:

(1) Per unit weight: In China and in many countries of the world, per unit weight serves as an important indicator in judging wheat quality. It is also one basis used in purchasing, transporting, storing, and processing wheat. Since a fairly large number of factors affect per unit

weight, one cannot suppose that per unit weight is a precise indicator. Per unit weight is generally considered to be a multiple indicator including kernel size, shape, depth of kernel furrowing, and kernel texture.<sup>6</sup> The higher the per unit weight, the higher the outturn, and the lower the ash content of the flour.<sup>7</sup> Accordingly, the per unit weight standard for premium wheat should be 790 grams per liter.

(2) Per Thousand Kernel Weight: Generally speaking, the larger the kernels, the higher the per thousand kernel weight, and the higher the flour outturn rate. A Soviet scholar also noted that quality of milled flour from cultivars having a large per thousand kernel weight is not necessarily superior to cultivars having a small per thousand kernel weight. The per thousand kernel weight of all the wheat varieties assayed in the test reported was fairly high. Per thousand kernel weight is a major component in output, a per thousand kernel weight of between 35 and 40 grams being generally the figure for high yield heterosis.

(3) Kernel color: The correlation between kernel color and quality is not great. When 70 fineness flour was made from red and white kernel cultivars, there was little difference in either its color or the outturn rate. When flour was made at a fineness of 85, the flour from red kernel cultivars was not as white. Nevertheless the past practice of favoring white kernels, setting price on the basis of distinctions in kernel color, fails to take other qualities into account. Nor is it consistent with results obtained from scientific measurements. The correct method is to apply comprehensive criteria in determining wheat quality.

(4) Hardness: There is a close correlation between kernel hardness and the cutin rate. A recent research report said that kernel hardness and protein quality show a definite correlation to flour and bread baking quality, but the correlation is not absolute.<sup>8</sup> Durum wheat's exodermis can be readily separated from the endosperm, the flour outturn rate is high, and it is readily sifted. On soft wheat, the exodermis and the endosperm are held tightly together, and the flour outturn rate is not as high as from durum wheat under most processing conditions, nor is the flour easily sifted. However, when the wheat is too hard, too great an expenditure of energy is required to grind it, and the flour must be milled many times. This is not desirable. Experiments have shown the best wheat hardness to be between 20 and 30 seconds.

(5) Crude protein content: This is an important indicator bearing on nutritional quality and processing quality. The USSR sets a protein content of 14 percent or above for strong wheat, and America's and Japan's regulations are similar. Results of a large number of tests run many times in recent years by the Cereal Grain Chemical Institute of the Ministry of Commerce, the Agricultural Crop Institute of the Chinese Academy of Agricultural Sciences, and the Agricultural Crop Cultivar Resources Institute on commodity wheat and wheat cultivars show

wheat protein contents of 13.10, 12.57, and 12.74 percent, for an overall average of approximately 12.70 percent. The protein content of premium wheat obtained from the present analysis was better than 14.70 percent. Therefore, on the basis of the protein content of China's premium wheat cultivars, and taking into account international standards, the protein content of wheat for premium bread should be between 13 and 15 percent or more.

(6) Sedimentation value: This is a combination indicator that includes gluten quantity and quality,<sup>9</sup> that is closely related to bread volume, the flour blending index, and the outturn rate. The method for deriving it is also simple. It is widely used abroad for determining wheat quality. The experiments showed sedimentation value and processing quality to be extremely closely related.<sup>10</sup> Tested sedimentation value averaged 26.8 milliliters, and it was larger than 40 milliliters for 12 superior cultivars.

(7) Wet gluten content: The wet gluten content of China's wheat cultivars currently averages 30 percent, which is somewhat low. The wet gluten content of premium wheat should be greater than 35 percent, the wheat simultaneously possessing fine elasticity and rather good stretchability.

(8) Various farinograph test criteria: Using prevailing farinograph criteria for flour used in producing bread in the United States as an example, the absorption rate should be 60 percent, plus or minus 2.5 percent; the dough developing time should be 7.5 minutes, plus or minus 1.5 minutes; the stabilization time should be 12 minutes, plus or minus 1.5 minutes; the breakdown time should be 14 minutes, plus or minus 1.5 minutes; softness should be between 20 and 50 B.U.; and the overall evaluation value should be 50-70.

(9) Bread Baking Quality: Bread volume, specific volume, and grading averages for twelve premium cultivars were 676.3 cubic centimeters, 4.6 and 80.4 respectively. In view of this, bread volume for premium wheat should be greater than 650 cubic centimeters, specific volume should be greater than 4.5, and the bread grade should be higher than 80.

The foregoing quality indicator standards are a summarization of experiences and understanding gained in several years of research work on wheat quality. They are offered for reference use by laboratories in agricultural research units when they are selecting premium wheat cultivars. Whether the standards are fitting and workable awaits further testing and revision in practice. Furthermore, not only the direct indicators used in evaluating bread, but also other indirect indicators may differ to a certain extent for different cultivars;<sup>11</sup> therefore, specific cultivars should be used in evaluating wheat properties.

### Problems and Recommendations

(1) China's wheat cultivars differ in quality from foreign premium wheat cultivars. Although the premium wheat cultivars sent in for testing by individual provinces and cities differed markedly from foreign wheat cultivars in terms of natural climate, soil, culturing, and such environmental conditions, a full comparison is difficult to make. Nevertheless, the selection of certain indicators of quality for simple comparison still has certain reference value in showing the basics about wheat quality in China.

Take protein content. The average protein content of wheat cultivars sent in for testing was 13.7 percent, in between the 12.3 to 15.5 percent protein content of American winter durum wheat from 1982 through 1984, but lower than the 14.9 percent for Australian winter durum wheat,<sup>12</sup> and the 14.8 percent for Argentine winter wheat. Nevertheless, an average 15 percent protein content for 12 premium wheat cultivars shows the protein content of Chinese wheat to be intermediate, and that the protein content of premium cultivars meets or exceeds the average for foreign wheat of the same kinds.

Results of farinograph testing show the dough development times and the stabilizing times for Chinese wheat cultivars sent in for testing to be relatively short. By comparison with Kansas red winter durum in 1985 (a development time of 5.3 minutes and a stabilizing time of 12.5 minutes),<sup>13</sup> these times were 1.8 and 7.3 minutes shorter. However, the dough development time of 4.9 minutes for premium cultivars is close to the value for American wheat. This shows that screening can find wheat cultivars that meet foreign quality standards. The successful breeding of spring wheat cultivars Zhong 791, Zhong 7606, and 8131-1, and of winter wheat cultivars Dongxie No 4, 79-2060, and Taiyuan 136, as well as the use in production of Zhong 791 and Zhong 7606 bread flours offer the best testimony to this.

(2) Improving Wheat quality. Ours is a vast land having numerous wheat cultivars. Among existing wheat cultivars, there is no shortage of cultivars having high and low protein or high and low gluten. Test results show, the protein content of wheat from some north China provinces to be fairly high with much gluten. They can be processed into high gluten flour. At the same time, wheat cultivars from some southern provinces are suitable for making low gluten flour as a raw material for making biscuits. However, most of China's wheat cultivars do not have a high gluten content; their gluten strength is intermediate or weak, and their processing quality relatively poor. Consequently, emphasis should be placed on improving processing properties.

Improvement of wheat quality should be looked at in three ways. First is the selection of premium cultivars that meet the different uses of the food processing industry from among fine advanced generation lines and improved varieties, and to hasten their propagation and earliest use in production. Second, as a long range

matter, all breeding units should now use as their starting point the characteristics needed for various food products, breeding special purpose wheat cultivars in a focused way. Third, in order to remedy the weak gluten strength of the country's wheat and its poor tolerance for mixing, concerned units in the Ministry of Commerce should cooperate in research on the use of additives to improve bread.

(3) Early revision of quality standards for wheat purchases to promote the development of premium wheat production. Today, the country's grain procurement sector is still using the same wheat procurement standards established in the period immediately following founding of the People's Republic. Certainly, per unit weight, kernel plumpness and kernel color have a lot to do with wheat quality; however, simple quality indicators are inconsistent with contemporary requirements. Specifically, the use of color as an important standard for judging wheat grade lacks a full scientific basis; therefore, early revision of standards used in purchasing wheat is a problem in urgent need of solution.

(4) Establishment of a wheat quality testing system and attendant organizations. The establishment in China of wheat quality testing organizations is extremely necessary for timely understanding of the characteristics of the country's wheat, and the changes that are taking place, for use by breeders and processors. Numerous countries have set up special organizations in order to provide reliable information and advice to the foreign trade export, agriculture, and food industry sectors in order to insure that wheat has the qualities it should have. They have also shouldered the task of formulating wheat quality standards. In conjunction with this, all major wheat growing areas should set up corresponding organizations to cooperate in the monitoring of wheat quality and advance reporting.

(5) Research work in China on wheat characteristics and their improvement has just begun. There has not been time to research and develop various kinds of quality

testing apparatus, so work today must rely on imported apparatus. Thus, it is recommended that units concerned either research and develop, or else copy, quality testing apparatus in order to save large amounts of foreign exchange, setting the stage for making wheat quality testing apparatus Chinese and standardized.

#### Footnotes

1. *Crop Quality Report*, U.S. Wheat Association, 1985, and *Crop Quality Report*, Australia Wheat Association, 1985.
2. V. A. Johnson, et al., *Final Report on Research Findings of Genetic Improvement of Productivity and Nutritional Quality of Wheat*, Agency for International Development, Washington, D.C., 1980.
3. K. S. Quisenberry, *Wheat and Wheat Improvement*, ASA, Inc., Publisher, Madison, Wisconsin, 1967.
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5. K. S. Quisenberry, *ibid.*
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7. Y. Pomeranz, *ibid.*, and K. S. Quisenberry, *ibid.*
8. Y. Pomeranz, *ibid.*
9. *Ibid.*
10. Wang Guangrui [3769 0342 3843], *Cursory Discussion of Wheat Characteristics Needed To Bake Bread*, NONGZUOWU ZAZHI [AGRICULTURAL CROPS MAGAZINE], No 2, 1985 pp 4-7.
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13. *Crop Quality Report*, U.S. Wheat Association, 1985.

**Text of 'Draft Constitution' by Opposition Figure**

40050525 Taipei TZULI WANPAO in Chinese  
8 Apr 89 p 10

[Article by Hsu Shih-k'ai 6079 0013 2818: "The So-Called 'New Taiwan Draft Constitution': This Document Caused a Lot of Trouble!"]

[Text] Brief Introduction to the Author: Hsu Shih-k'ai is a native of Taichung, Taiwan. He graduated from the Department of Political Science of Taiwan University in 1957 and received a doctoral degree in law from Tokyo University Law School. He is currently dean of Tsuda College in Japan and chairman of the world headquarters of the Taiwan Independence League.

Cheng Nan-jung [6774 0589 2827] is a controversial figure in the opposition camp. During his life, he provoked many libel suits because of the magazines he founded. When he published his "New Taiwan Draft Constitution," he was suspected of sedition by the Bureau of Investigation and was turned over to the Office of the Chief Procurator for prosecution for espionage.

Cheng Nan-jung once said in an interview that being tried for sedition is fundamentally different from being sued by military authorities for libel. He said that he was willing to go to court to answer libel charges, but that the publication of Hsu Shih-k'ai's "New Taiwan Draft Constitution" was an expression of his freedom of speech. When he was summoned for trial for sedition, he unhesitatingly incinerated himself to refuse this "illegal summons."

What is the content of the "New Taiwan Draft Constitution" that precipitated this act of self-immolation? This newspaper is specially publishing the complete text of the "New Taiwan Draft Constitution" to enable readers to more fully understand the nature of this act. (Editor's note)

**Preface**

In former times, our Malay-Polynesian-speaking ancestors lived in freedom and peace on Taiwan's plains. Our Chinese-speaking ancestors migrated to seek freedom, peace, and a better life, and to escape oppressive government, chaos caused by war, and hunger in China.

But our Taiwanese people's freedom, peace, and livelihood have repeatedly been trampled by foreign powers.

Because of this, we have resolved to exert ourselves to protect our freedom, peace, and livelihood. To further these ends, we have united to create an independent Taiwan Republic.

**Chapter 1. General Introduction**

Article 1. The Taiwan Republic. The Taiwan Republic is formed by persons who have resolved to make Taiwan

their permanent home country and are dedicated to the freedom of the people of Taiwan and the independence of the Taiwan Republic.

Article 2. The sovereign power of the Taiwan Republic belongs to its citizens.

Article 3. Due to differences in language and period of migration, the citizens of the Taiwan Republic may be divided into four cultural groups: Malay-Polynesian-speaking, Fukienese-speaking, Hokka-speaking, and Mandarin-speaking. Every citizen is legally entitled to freely choose the cultural system to which he will belong, and to change this choice once every 5 years. No cultural group may discriminate against or oppress any other cultural group.

Article 4. The territory of the Taiwan Republic does not include Quemoy, Matsu, or other Chinese coastal islands. The inhabitants of said coastal islands may immigrate to Taiwan before the Taiwan Republic relinquishes them, and may elect to become citizens of the Taiwan Republic.

**Chapter 2. Rights and Obligations of Citizens**

Article 5. Individual dignity, equality of the sexes, and rights of the old, young, invalid, and infirm shall be observed in society and in the household.

Article 6. All citizens are equal under the law, except for the minority consisting of the old, the young, the infirm, and the weak, who will receive special protection.

Article 7. The freedoms of conscience, thought, religion, and scholarship are inviolate.

Article 8. The freedoms of speech, publication, assembly, association, and other forms of expression are inviolate.

Article 9. The privacy of the mails is inviolate.

Article 10. Inspections are prohibited.

Article 11. All persons have the right to choose where they live or move, and what work they will do, except as lawfully limited for the benefit of the public.

Article 12. Every person has the freedom to emigrate and give up citizenship.

Article 13. Citizens have rights to enjoy healthy and dignified lives. In furtherance of these rights, the government shall pursue improvements in environmental protection, public health, social welfare, and social security, and will promote cultural facilities for public use.

Article 14. Citizens have the right to a secondary education that meets their abilities. Citizens have the obligation to give their children a basic education. All school education shall be free of charge.

Article 15. Citizens have the right and the obligation to engage in labor.

Article 16. The rights of workers to form unions, engage in collective bargaining, and take part in disputes are protected.

Article 17. Private property shall be protected. But private ownership of land shall be subject to size limits.

Article 18. Inheritances and gifts of private property shall be taxed at progressive tax rates.

Article 19. Private enterprises shall receive protection and encouragement except in certain critical sectors where there will be public and monopolistic enterprises.

Article 20. Citizens have the obligation to pay taxes according to the law.

Article 21. Citizens have the obligation to serve in the military.

Article 22. Rural guard units shall be parts of the people's militia. The primary directives of the people's militia shall be to protect the freedom of citizens and the independence of the country.

Article 23. All citizens 18 years of age or older have the right to vote and recall public officials, and the right to be elected to office.

Article 24. Elections shall be by universal, equal, direct, and secret vote.

Article 25. The enactment, revision, and repeal of laws, and the recall of appointed public officials shall be accomplished by vote of the citizens.

Article 26. In addition to the matters that are specifically required by this Constitution to be decided by vote of the citizens, citizens with voting rights shall vote to decide the enactment, amendment, and repeal of related laws whenever at least 1 percent of the citizens with voting rights petition to do so. Citizens with voting rights shall vote to decide the recall of related public officials whenever at least 1 percent of the citizens with voting rights in the original voting district petition to do so.

Article 27. Matters to be decided by vote of the citizens shall be approved by a majority vote, except as otherwise stipulated in this Constitution.

Article 28. All persons have the right to petition related national or local public organizations for relief from damages; impeachment of public officials; enactment, amendment, and repeal of laws and administrative orders; and other matters.

Article 29. No person may be deprived of life or liberty without due process of law.

Article 30. No person, except a person in the act of committing a criminal offense, may be arrested without the issuance of a signed order by a lawfully constituted judicial organ which specifies in detail the criminal offense for which it is issued.

Article 31. No person who has not been specifically charged or allowed to appoint an attorney may be held in custody or interrogated. A person or his attorney may request that the reasons for custody be heard in an open court in a timely manner, with the accused or his attorney in attendance.

Article 32. Public officials are prohibited from using torture in interrogation and inflicting cruel corporal punishments.

Article 33. No person may be deprived of the right to obtain a judgment in a court of law.

Article 34. No person not currently serving in the military may be subjected to a military judgment.

Article 35. Any person who has been held in custody by act of a judicial organ may seek compensation from the state when it is determined in a judgment that he is not guilty of criminal offenses.

Article 36. Any public official who encroaches on any person's freedoms and rights shall be punished according to law and have criminal and civil liability for such actions. Injured persons may seek compensation for their injuries from national or local public organizations.

Article 37. All of the freedoms and rights stipulated in this chapter shall be unceasingly and unstintedly supported by all citizens.

### Chapter 3. The President

Article 38. The president is the head of state and represents the nation, and should stand above party politics.

Article 39. The president shall convene the parliament according to law.

Article 40. The president shall request permission from and secure the countersignature of the prime minister of the cabinet to appoint and remove public officials, dissolve the lower house of parliament, proclaim laws, conclude treaties, announce declarations of war, issue special pardons and general amnesties, and take other such major actions.

Article 41. The president shall provide assistance in resolving disputes between the two houses of the parliament through mediation or arbitration. Arbitration may be conducted only in response to a request for it from the two houses of parliament.

Article 42. The president shall recommend a member of the lower house of the parliament who is able to secure the approval of a majority of the members of the lower house to be prime minister. The president shall receive the resignations en masse of the cabinet.

Article 43. The president and the vice president shall be separately elected to office in direct elections by those with voting rights. Each will be elected by majority vote of the total votes cast. If no candidate receives a majority

vote, the candidate for president with the greatest number of votes shall be presented to the lower house of the parliament for a vote of confidence. If a majority vote is not obtained, a new election shall be held. The candidate for vice president with the greatest number of votes shall be presented to the upper house of the parliament for a vote of confidence. If a majority vote is not obtained, a new election shall be held.

Article 44. The president and the vice president shall hold office for terms of 5 years. The president may not be elected for three consecutive terms.

Article 45. If the president is unable to perform his duties, the vice president shall substitute for him. If neither the president nor the vice president are able to perform their duties, the speaker of the lower house shall substitute for them.

Article 46. If the president becomes incapacitated, the vice president shall succeed him and serve out the remainder of the term. If the president and vice president both become incapacitated, the speaker of the house shall perform their duties. If more than 1 year remains in the term of the president, the lower house of the parliament shall hold a by-election for president, and the upper house of the parliament shall hold a by-election for vice president. Their terms shall be limited to the length required to fill the terms of their predecessors in office.

Article 47. The vice president shall assist the president and shall concurrently serve as speaker of the upper house of parliament. He shall stand above party politics.

#### Chapter 4. The Parliament

Article 48. The parliament shall represent the people in exercising the right to enact laws.

Article 49. The parliament shall consist of an upper house and a lower house.

Article 50. The upper house shall consist of 40 members, with 10 elected by voting members of each of the four cultural organizations, and the vice president also serving as speaker.

Article 51. The members of the upper house shall serve for a period of 5 years.

Article 52. The members of the lower house shall be elected by voting members of 100 electoral districts with equal numbers of voters. The voting members of each electoral district shall elect one member, making a total of 100 members.

Article 53. The members of the lower house shall serve for a period of 3 years. When the lower house dissolves, it shall be on the last day of the term of the current members.

Article 54. The assistant speaker of the upper house shall be elected by the members of the upper house. If the vice president becomes incapacitated, the assistant speaker of the upper house shall substitute for the speaker.

Article 55. The speaker and assistant speaker of the lower house shall be elected by the members of the lower house.

Article 56. There shall be a fall session and a spring session scheduled for parliament, which shall be convened by the president.

Article 57. Special sessions of the parliament shall be convened by the president whenever the prime minister of the cabinet or more than one-fourth of the members of either house of parliament request a special session.

Article 58. Within 30 days of the adjournment of the lower house, there shall be an election of members of the lower house. The upper house shall not meet while the lower house is adjourned.

Article 59. A special session of the parliament shall be convened by the president within 15 days of the election of members of the lower house.

Article 60. If either house fails to meet a quorum of two-thirds of the members of that house, it may not conduct business or vote.

Article 61. In the two houses, proposals shall be passed by the vote of the majority of members present, except as otherwise stipulated in this Constitution. If there are an equal number of votes for and against a proposal, the speaker will decide the matter.

Article 62. Proposals shall be passed by both houses of the parliament, unless otherwise stipulated in this Constitution.

Article 63. Proposals that are passed by the lower house and rejected by the upper house will pass the parliament if they receive a vote of two-thirds of the members of the lower house present, unless otherwise stipulated in this Constitution.

Article 64. Proposals that are passed by the lower house and submitted to the upper house will pass the parliament if they are not voted on by the upper house within a period of 60 days from the date of the submission.

Article 65. If the upper house passes a resolution with a vote of three-fourths or more of the members present, it may designate a proposal as a major proposal relating to the rights of the cultural groups. Such a major proposal relating to the rights of the cultural groups must be passed by the upper house.

Article 66. Budget proposals must originate in the lower house. If a budget proposal has not been passed by the beginning of a new fiscal year, the cabinet may temporarily continue to use the budget of the previous year to conduct finances.

Article 67. The deliberations of the two houses shall be public.

Article 68. In their discussions within the two houses, the members of the two houses shall not be responsible to any persons outside the parliament.

Article 69. The members of the two houses may not be arrested while the parliament is in session. Any members who are arrested before a session begins shall be released at the request of the house to which a member belongs.

### Chapter 5. The Cabinet

Article 70. Administrative powers belong to the cabinet.

Article 71. The cabinet shall consist of a prime minister and ministers appointed by him. The ministers shall be confirmed by majority vote of the members of the lower house of parliament. The prime minister may appoint or remove ministers at any time.

Article 72. Persons currently serving in the armed forces may not serve as prime minister or minister.

Article 73. The cabinet and the parliament are jointly liable for the exercise of administrative powers. The prime minister and ministers shall be available at all times to appear before the upper house and lower house parliament to explain proposals. Upon receiving a request from either of the two houses of parliament, they shall appear to respond to questions.

Article 74. If the lower house passes a resolution of no confidence, or rejects a resolution of confidence, or rejects a major proposal submitted by the cabinet, the prime minister shall request the president to dissolve the lower house within a period of 10 days.

Article 75. If the lower house passes a resolution of no confidence in the cabinet, or rejects a resolution of confidence, and the lower house is not dissolved within a period of 10 days, the cabinet shall resign en masse.

Article 76. If the prime minister becomes incapacitated, the cabinet shall resign en masse.

Article 77. A cabinet that resigns en masse shall continue to conduct affairs necessary to maintain government operations until a new Cabinet is formed.

Article 78. The prime minister shall be in charge of the cabinet; shall introduce to the parliament proposals, budget proposals, proposed laws, proposed treaties, proposed declarations of war, proposed special pardons and general amnesties, reports on national affairs, and responses to inquiries; and shall direct and supervise the administrative departments.

Article 79. The ministers shall consist of managerial ministers and nonmanagerial ministers. Managerial ministers shall direct and supervise the departments they manage.

### Chapter 6. The Courts

Article 80. The judicial power belongs to the courts. The courts are in three levels: local courts, higher courts, and the Supreme Court.

Article 81. Judgments shall be made at three levels, at trials conducted by the local courts, the higher courts, and the Supreme Court.

Article 82. Judges other than justices of the Supreme Court shall be appointed after passage of a national examination.

Article 83. Judges shall be bound only by this Constitution and the laws. They will not be subjected to any interference. They shall independently carry out their duties, following their consciences.

Article 84. Judges may not be illegally tortured, punished, declared incompetent, or removed from office.

Article 85. The Supreme Court shall be composed of 11 justices appointed by the president.

Article 86. The justices of the Supreme Court shall schedule a referendum for the same time that the members of the upper house are elected. Those who receive recall votes representing a majority of the total votes cast shall be removed from office.

Article 87. The chief justice of the Supreme Court shall be elected by the justices. The term of service of the chief justice is 5 years. A chief justice may serve one additional consecutive term if reelected.

Article 88. The Supreme Court shall be the ultimate court for judgments on the constitutionality of laws, orders, regulations, rules, and disciplinary actions.

Article 89. The Supreme Court shall have jurisdiction over the adoption of internal rules for all other levels of courts and regulations for handling judicial matters.

### Chapter 7. Local Self-Government

Article 90. Local governments shall be made up of the two levels of county or city governments and town, village, hamlet, or neighborhood governments.

Article 91. Local public organizations shall consist of an administrative officer and a council made up of constituent groups.

Article 92. The administrative officer, council members, and other public officials shall be elected in direct elections by local residents.

Article 93. Local public organizations have authority to manage their own property, conduct their own affairs, and engage in their own administration. They must adopt rules that are in accordance with the law.

Article 94. The administrative officers of counties and cities shall supervise the citizens' militia units in their counties and cities. The citizens' militia shall be incorporated into the national army if the Lower House of Parliament passes a resolution to this effect.

### Chapter 8. Amendments

Article 95. The Constitution shall be amended when a proposed amendment is passed by two-thirds the total number of members in both houses and subsequently approved by two-thirds of the citizens, so long as the proposed amendment does not affect legal requirements for numbers of voters.